

Once Upon a Time in America: the Mafia and the Unions

Giovanni Mastrobuoni

Collegio Carlo Alberto, UNITO, CEPR, IZA

Andrea Matranga

UNITO

Marta Troya Martinez

UAB, NES, BSE and CEPR

Big thanks to: Maxim Alekseev, Alexander Basov, Lucia Bessone, Simran Dhalla, Angelika Gareeva, Kristina Goncharova, Alexandra Grigoryeva, Anastasia Khromenko, Vladislav Lapatkin, Alexander Lutsenko, Anastasia Mityushkina, Anastasia Nebolsina, Alessandro Perga, Sofia Rubstova, Kirill Ryazantsev, Andrea Scalanghe, Sara Shahbazi, Daniil Starikov, Corinne Smith, Polina Uvarova and Mikhail Zhokhov

Bolzano, 2025

Mafia and Unions in the US

*“My family [Genovese] (...) got money from gambling, but our **real power, our real strength, came from the unions**. With the unions behind us, we could shut down the city, or the country for that matter.*

— Vicent “Fish” Cafaro, Senate Permanent Subcommittee on Investigations, 1988”

Mafia and Unions in the US

- Many countries have both organized crime and organized labor, but only in the US did the two develop a largely symbiotic relationship
- Long history of media attention, from Elia Kazan Hollywood's classic 1954 to Martin Scorsese's 2019 Netflix movie...



Research gap

- ... but almost no attention by labor law scholars or economists (some work by historians and sociologists)

Labor racketeering [...] has undermined the labor movement, one of the most powerful and important sociopolitical institutions. While the problem has attracted enormous law enforcement, political, and media attention [...] it has attracted practically no criminological attention [...] or interest among labor law scholars.” — Jacobs & Peters (2003) p.271

- It is important to understand the consequences of this muddy partnership, given:
 - the dramatic (and unexplained) decline in the American labor movement - with its detrimental consequences on inequality (Farber et al. 2021)
 - the recent resurgence of unions (Gallup, 2022)

The origins of mobbed-up unions

- In late 19th century, the rise of the labor movement triggered strikes & violence between workers and employers $\implies$ employers recruited gangsters and workers paid the mafia for protection $\approx$ the emergence of Mafia in Italy (Gambetta, 1996 & Acemoglu et. al., 2019)
- With the end of Prohibition (1933), the Mafia settled into this new business opportunity and barely faced any opposition (or got rid of it):
 - FBI not interested in fighting organized crime $\implies$ Hoover, the FBI Director, denied the existence of a centralized and organized mafia until 1957 (Appalachian meeting) and refused to devote investigative resources
 - “Communist” unions were a greater evil

Mafia uses of Infiltrated Unions

- **Corruption**: paying themselves, family members and associates from union funds
- **Politics**: using the “legal” cover for organized crime leaders to meet business owners and political figures
- **Economy**: setting labor terms, setting, monitoring and enforcing producer cartel agreements between companies, restricting entry

Today

- We use census, historical & declassified law-enforcement datasets covering most of the 20th century
- We show that unions prone to be mafia behaved differently:
 - in Mafia counties, the local union leader was more likely to be Italian and, their surnames tend to originate from Palermo
 - in “captured unions,” convicted union leaders are over-represented, are orders of magnitude more likely to be Italian, and to originate from Palermo
- Italians workers have different labor outcomes:
 - when compared to other immigrant groups, Italians are more likely to work in Mafia controlled areas and show larger wage growth from 1950s onward.
 - Sicilians (especially from Palermo) do particularly well (ongoing work)

Related Literature

- On mafia:
 - *Origins of the Mafia*: Bandiera (2003), Buonanno et al (2013), Acemoglu, De Feo and De Luca (2020)
 - *Mafia as a firm*: Collection in Fiorentini & Peltzman (1997), Reuter (1983), Abadinsky (1990), Gambetta (1996), Kumar & Skaperdas (2009), Campaniello, Gray & Mastrobuoni (2016)
 - *Structure of the Mafia*: Garoupa (2007), Baccara and Bar-Isaac (2008), Mastrobuoni (2015)
 - **Economic cost of the Mafia**: Pinotti (2015), Dippopa (2021), Le Moglie & Sorrenti (2022), Daniele & Dipoppa (2022), Di Cataldo & Mastrorocco (2022), Fenizia & Saggio (2024), Mastrobuoni et. al (2024) $\implies$ all in Italy and we have a focus on labor outcomes
- On unions:
 - and inequality: Callaway & Collins (2018), Collins & Niemesh (2019), Farber, Herbst, Kuziemko & Naidu (2021)
 - **and mafia**: Jacobs & Peters (2003), Jacobs, Cunningham & Friday (2004), Jacobs (2006), Venturini (2023) $\implies$ all in sociology except Venturini that focuses on corruption

Data

Mafia locations: FBN

- Mafia locations from the Federal Bureau of Narcotics
- We have the exact facsimile of a secret report documenting in detail 800 mafia members up until 1960
- These files come from more than 20 years of investigations, and several successful infiltrations by undercover agents (Mastrobuoni, 2015)
- This knowledge did not translate immediately in any prosecution:
“Harry Anslinger, Director of the FBN, had much more interest in and knowledge of organized crime than Hoover, but he did not have the resources or the jurisdiction to act on this knowledge.” (Jacobs, 2006, p. 10)
- 641 reside in the US, the remaining 159 reside mostly in Italy $\implies$ 80 “mafia” counties (= 42 commuting zones)

Mafia locations: FBN

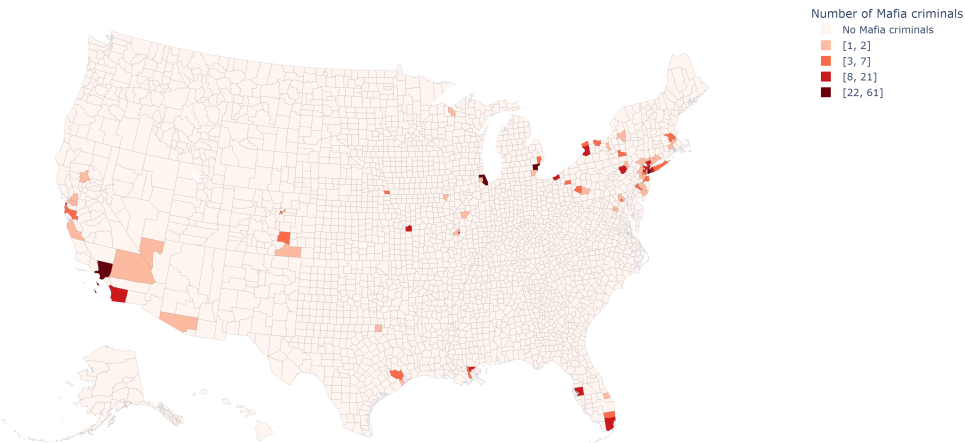
Example of a record of a labor racketeer (out of 42)

He was the longtime leader of the Lucchese family from 1967-1985. He was indicted under the RICO Act and sentenced to 100 years in prison. On August 23, 2000, he died at a medical center for federal prisoners.

NAME	: Anthony CORALLO
ALIASES	: Tony Ducks, Tony Corralo, Antonio Freno, Antonio Covello.
DESCRIPTION	: Born 2-12-13, New York City, 5'6 $\frac{1}{2}$ ", 170 lbs., blue eyes, brown hair.
LOCALITIES FREQUENTED	: Resides 144-67 North Drive, Queens, N. Y. Frequent New York area race tracks, Little Napoli Restaurant and Tasse Restaurant, both in New York City.
FAMILY BACKGROUND	: Married to Ann Ryan, step-daughter: Madeline, sons: Jerry, brothers: Joseph & Salvatore, sisters: Carmela, Mary Zogare, Frances Governali, fathers: Giuseppe, mother, Lucia, (both dead).
CRIMINAL ASSOCIATES	: Eddie Coco, Johnny Dio, Andino Pappadio, John Ormento, Vincent Rao, Carmine Tramunti, Anthony Castaldi, [REDACTED], Joe Bendenelli, all of New York City.
CRIMINAL HISTORY	: FBI #269969, NYCPD-B #75882. Arrests since 1929 include grand larceny, robbery, violation New York State Narcotic Laws.
BUSINESS	: Is vice-president of Local 239, Queens, N. Y. International Brotherhood of Teamsters, and connected with other Teamster locals.
MODUS OPERANDI	: Finances large narcotic transactions. Closely associated with most major Mafia narcotic traffickers in New York City. Involved in labor racketeering.



80 Mafia-prone counties



Use the crosswalk from Autor and Dorn (2013) to get 42 CZ

Mafia-prone industries

- Some industries are more prone to labor racketeering
- NY Organized Crime Task Force classifies mafia prone industries as ranking high in: 1) *racketeering susceptibility* (strategic importance of the union within the industry) and, 2) *racketeering potential* (potential revenue derived from the union exploitation)
- Several sources (Jacobs work, industry prevalence in RICO cases and mobsters' jobs) point at the following industries:
 - Construction
 - Trucking services, Warehousing and storage, Water transportation
 - Eating and drinking places, Liquor stores, Meat products
 - Hotels and lodging places
 - Sanitary services
- This classification is prone to misclassification, biasing the differences with non-mafia prone industries towards 0

Union leader prosecutions

- Digitized 2277 prosecutions against union leaders for racketeering, bribery, extortion, embezzlement and other manipulation of union operations for criminal gain:
 - 1968-1978: from U.S. Department of Labor reports
 - 1979-1984: from the Kaufman (1986) - 1983 President's Commission on Organized Crime, it contains prosecutions from more participating agencies
- For each prosecution, we have the indictment, the conviction, the name of the union leader and the union he or she belonged to

Local union leaders: Teamsters

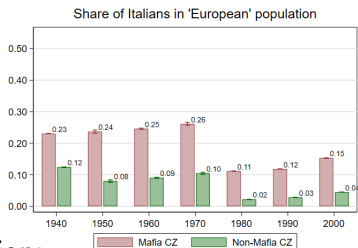
- Teamsters was the largest union in the US (peaked with over 2.3 million members) — this happened while the union was led by James Hoffa from the late 50s to the early 70s
- Teamsters represented a wide variety of industries such as truck drivers and construction workers
- Collected the (1903-2008) rosters for Teamsters locals with leader name, industries and location

Italian origin

- Attribute Italian origin to the leaders' names using two data sources:
 - 1) frequency of Italian surnames registered in Ellis Island (1892-1924) — was the busiest immigrant inspection station in the US
 - 2) Italy is the country with the highest incidence and/or density for a name using <https://forebears.io/>
- Example for Teamsters [▶ More](#)
- Collected data from the registry of the 542,763 dead Italian soldiers in the World War I (<https://www.cadutigrandeguerra.it>) $\implies$ Soldiers surname associated with an Italian province of birth

Labor outcomes

- Wages and employment from the IPUMS census (1940-1970)
- We define Italian family as being born in Italy or having an Italian-born father - from 1980 ancestry is self-reported



- Sample restriction:
 - male
 - householders
 - in households with no more than 2 adults
 - aged 16-55

Labor outcomes II

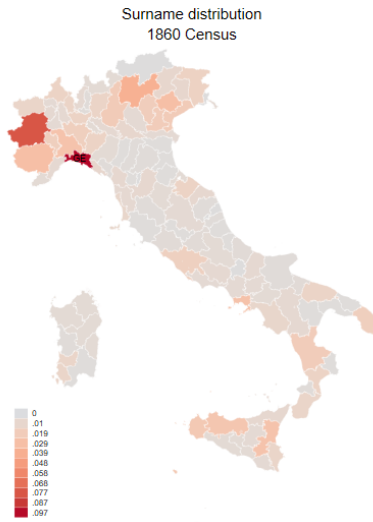
- Restricted IPUMS census (1860-1950)
- We have names and last names of individuals of Italian origin
- We look at labor outcomes separately for last names that tend to originate from Palermo, Sicily.

Results

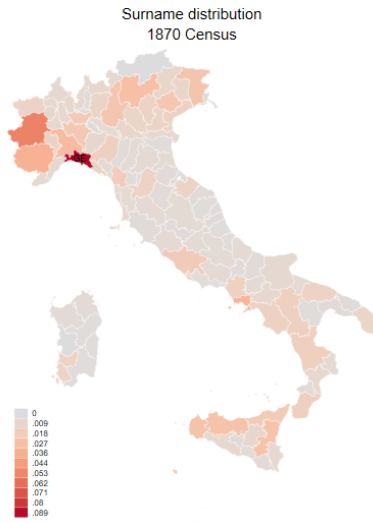
Italian Immigration over Time

- We use the surnames of the Italian dead WWI soldiers to attribute an Italian province of origin to the mafiosi
- We look at the evolution of the stock.

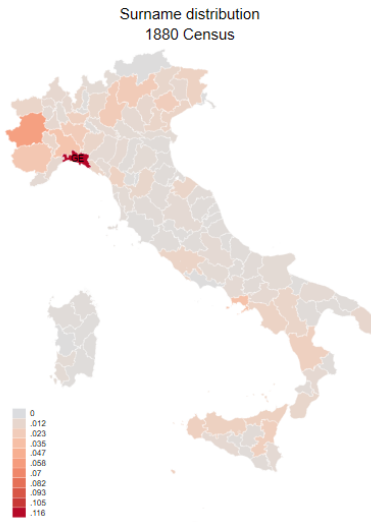
Italian Immigration over Time: 1860



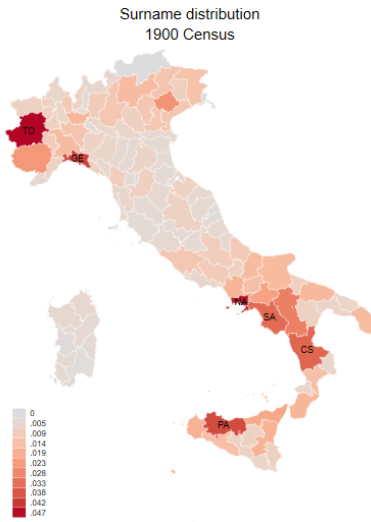
Italian Immigration over Time: 1870



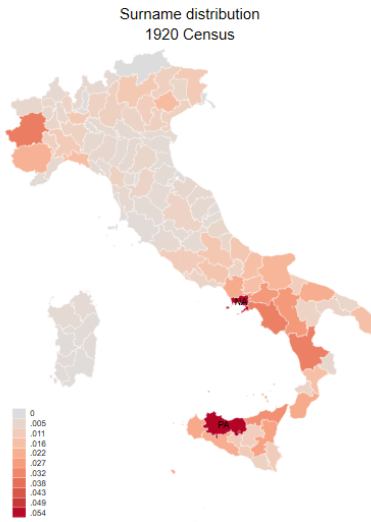
Italian Immigration over Time: 1880



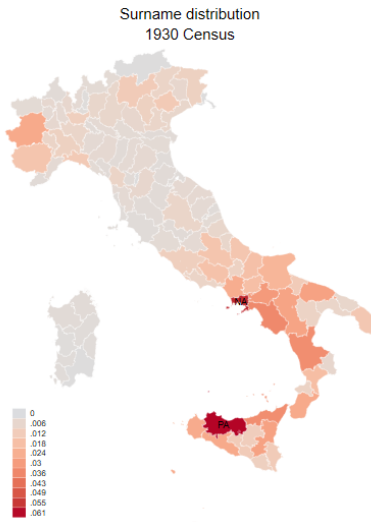
Italian Immigration over Time: 1900



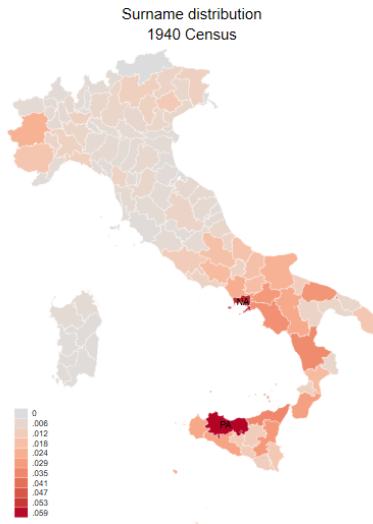
Italian Immigration over Time: 1920



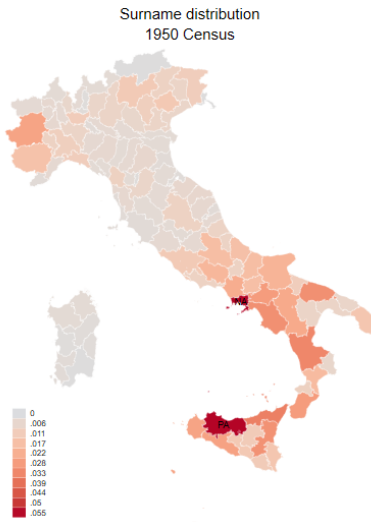
Italian Immigration over Time: 1930



Italian Immigration over Time: 1940

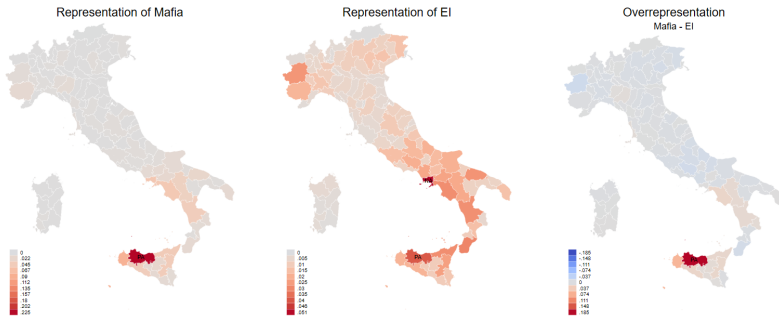


Italian Immigration over Time: 1950



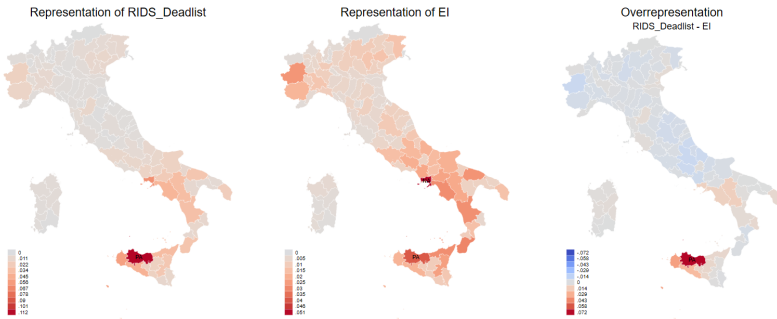
Italian origin of the mafia members

- Composition of the FBN mafiosi dataset and Italians at the immigration port of entry of Ellis Islands.



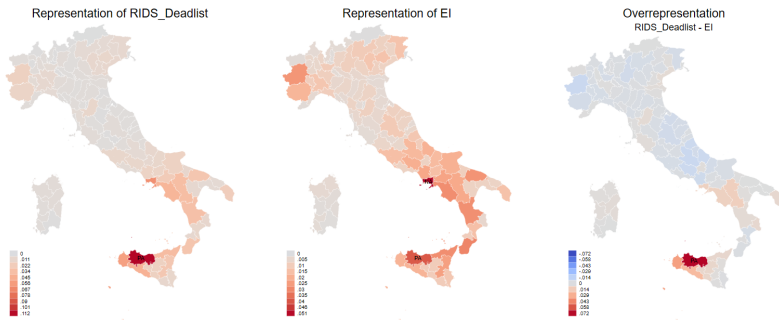
Italian origin of the mafia members

- with FBI's Dead list from the Record/Information Dissemination Section of the FBI (1985-2010)



Italian origin of the mafia members

- with FBI's Dead list from the Record/Information Dissemination Section of the FBI (1985-2010)



⇒ Italian-American mafia was mainly formed by people of Italian origin. In large part from the Palermo province.

From Local to General...

“Mob-controlled locals elected mob-controlled officers, who chose mob-controlled convention delegates, who ratified the choice of mob-controlled international presidents, vice presidents, and general executive board (GEB) members. Because the rank and file did not vote directly for international officers, PCOC judged it “unlikely, . . . that a reform-minded Teamster president can be elected in the near future” (PCOC 1986, p. 104).

Control of local union leadership

“LCN achieved working control of a local union by placing one of its members or an associate in the position of top union official or by intimidating or recruiting a union leader to do its bidding.” (Jacobs 2006, p. 31).

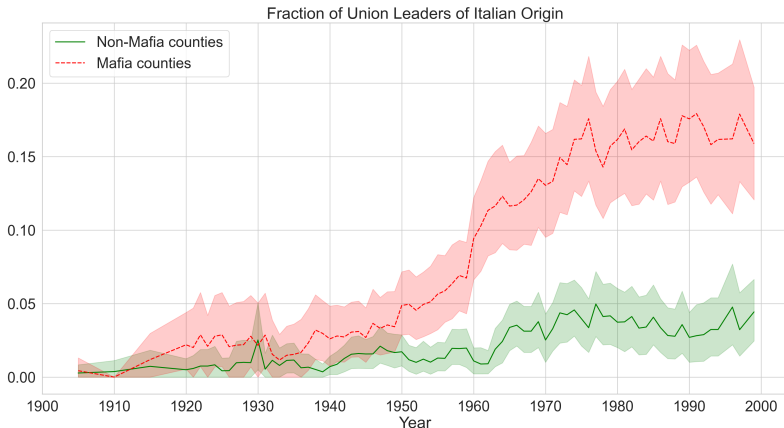
- Are Italians more prevalent among the union leaders in mafia locations?
- Where are these Italians originating from?
- Are leaders more likely to remain in power?
- Are the Italian teamsters leaders more likely to be “associated” with the Mafia?

Union infiltration: Teamsters

- For Teamsters, we explore if in mafia locations union locals look any differently
- Teamsters was the largest union in the US (peaked with over 2.3 million members) — this happened while the union was led by James Hoffa from the late 50s to the early 70s
- It was also known to be infiltrated by mafia: Teamsters *“have been firmly under the influence of organized crime since the 1950’s.”*, President’s Commission on Organized Crime, *The Edge: OCBLU*, 1986 p. 90”

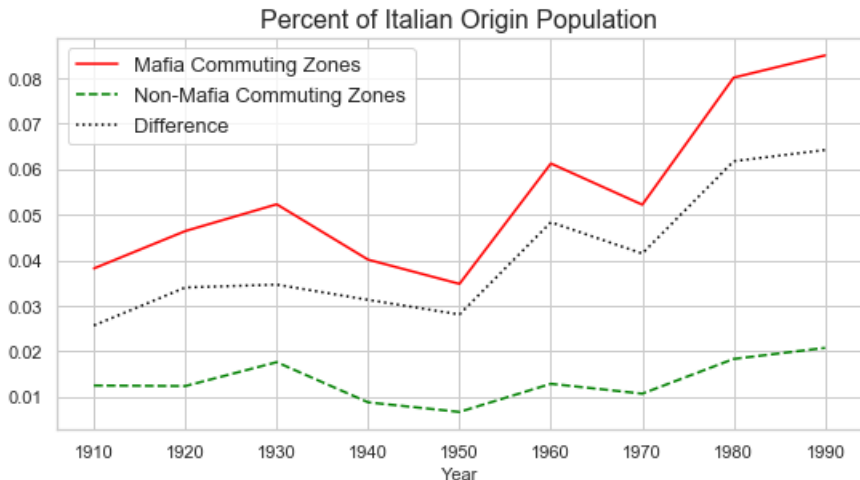
Italian local union leaders

The local leadership of Teamster becomes more “Italian” as the mafia becomes more powerful but only in Mafia counties. Differences stop growing in the mid-70s.



Italian local union leaders

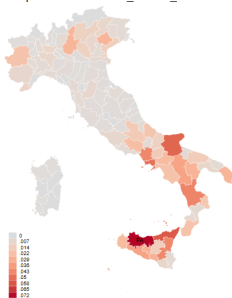
This increase in “Italian leadership” ($\times 10$ in 80 years) does not seem to be caused by the growth in the Italian population in those locations ($\times 2$ in 80 years)



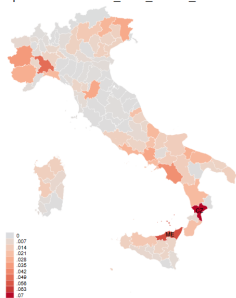
Italian origin of the leaders

- Origins of Italian Teamsters leaders in counties with and without mafia presence.

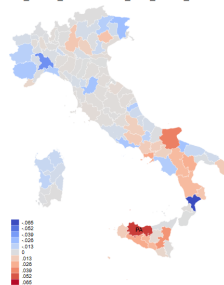
Representation of IBT_MAFIA_COUNTY



Representation of IBT_NOT_MAFIA_COUNTY



Overrepresentation
IBT_MAFIA_COUNTY - IBT_NOT_MAFIA_COUNTY



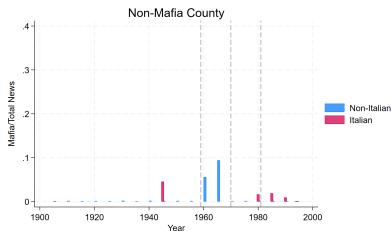
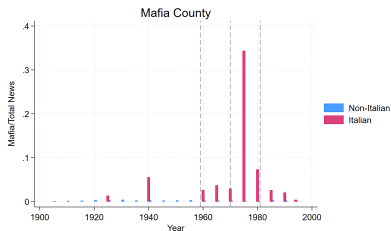
Prosecution and LCN

Surname Matching: Prosecution Probabilities				
	Non-LCN	LCN	Mean	LCN change
IBT	3.03%	26.32%	7.27%	+23.3%
Deadlist	11.19%	34.87%	17.78%	+23.7%

Table: Prosecution Probability by LCN status (columns) in different datasets (rows)

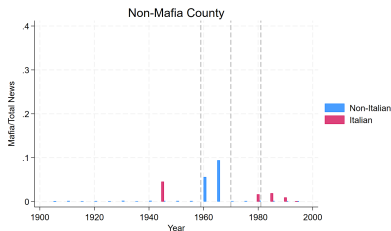
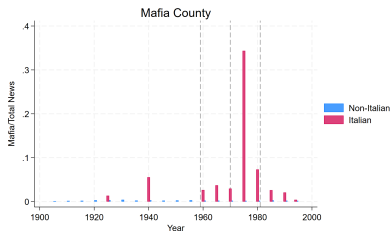
Share of Mafia related news

Search Lexis Nexis “Teamsters local leader name” + “County of the Union” + “Mafia or similar” and compare to placebo words, i.e. “Club”



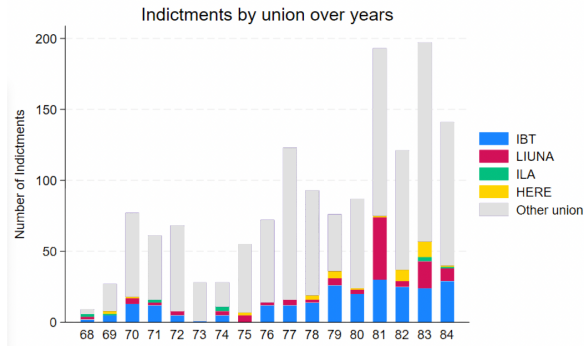
Share of Mafia related news

Search Lexis Nexis “Teamsters local leader name” + “County of the Union” + “Mafia or similar” and compare to placebo words, i.e. “Club”



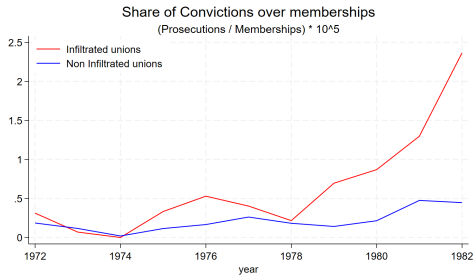
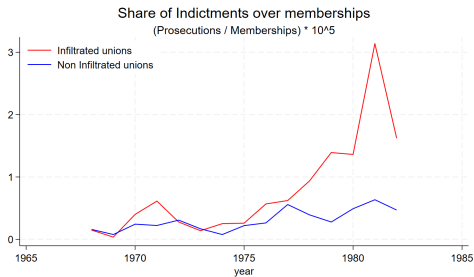
⇒ What about the other Unions?

Local union leaders' prosecutions

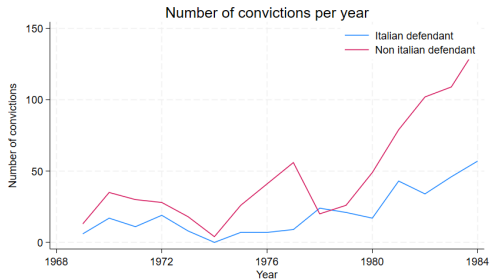
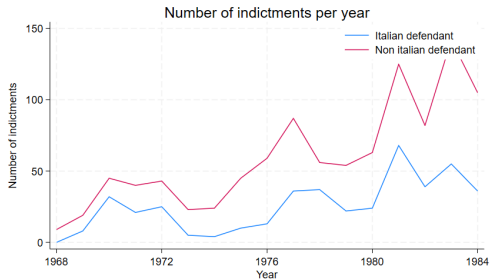


Unions with the most documented history of labor racketeering: International Brotherhood of Teamsters (IBT), Hotel and Restaurant Employees International Union (HERE), Laborers' International Union of America (LIUNA), and International Longshoremen's Association (ILA), Edge (1986)

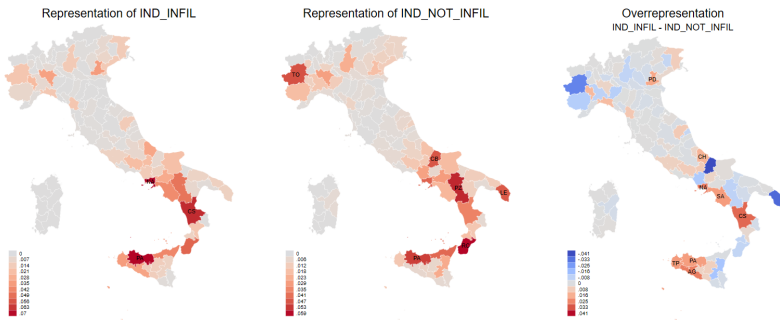
Local union leaders' prosecutions



Local union leaders' prosecutions



- Provincial origins of indicted union leaders, in infiltrated and non-infiltrated unions

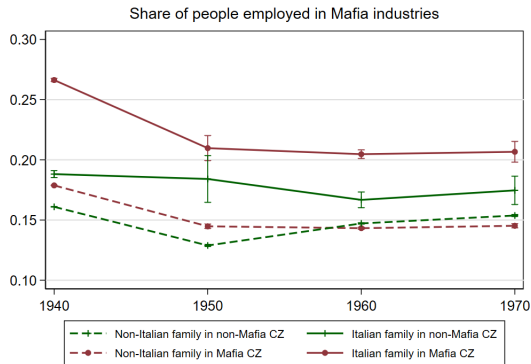


Workers

- After controlling the leadership, the “next step was to *consolidate control through a combination of sticks and carrots.* (...) *If the dissident depended on the union for job assignments through a hiring hall, as is the case in the construction industry and in longshoring, he would find himself unemployed.*(...) *mob figures who control a union local have many “carrots” to distribute.* (...) *friends and supporters get all sort of perks, including high salaries.*, Jacobs (2006)
- Since ethnicity plays a key role in the leadership of mafia influenced unions $\implies$ turn to explore the workers behavior
- Italian workers are potentially “cooperative” workers $\implies$ may have found the job through Italian networks; likely to be better informed about mafia culture, etc.
- We look at Italian workers in mafia and non-mafia locations and in mafia and non-mafia prone industries $\implies$ compare them to other Europeans

Employment in mafia-prone industries

- Italians are more likely to be employed in mafia industries compared to other Europeans (controlling for CZ FE & socioeconomic characteristics)
- This is specially true in mafia locations

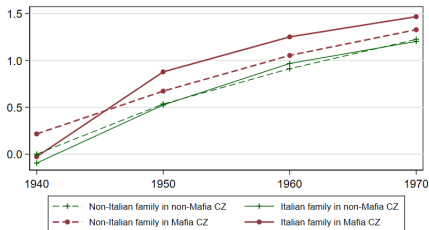


Wage income

- In 1940, Italians had the lowest wages
- Within a decade, Italians saw an enormous wage gain, particularly in mafia industries and mafia locations

Log wage income in Mafia industries

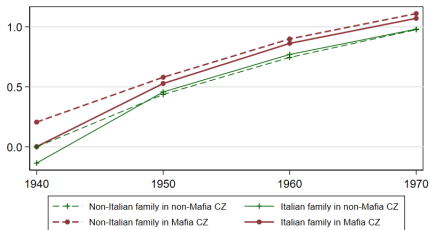
Relative to non-Italian families in non-Mafia CZs.



Based on the regressions controlling for Age, Age², College attendance, College attendance time-trend, CZ and Industry FES
Estimates for 30 y.o. without college attendance

Log wage income in non-Mafia industries

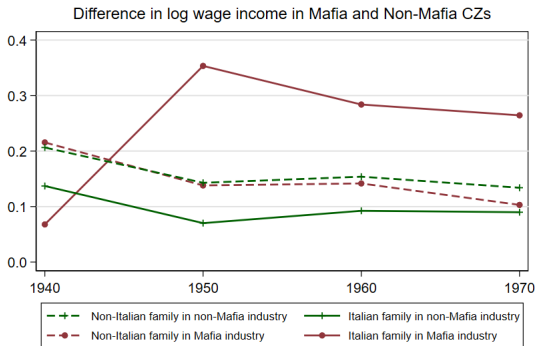
Relative to non-Italian families in non-Mafia CZs.



Based on the regressions controlling for Age, Age², College attendance, College attendance time-trend, CZ and Industry FES
Estimates for 30 y.o. without college attendance

Difference in wage income

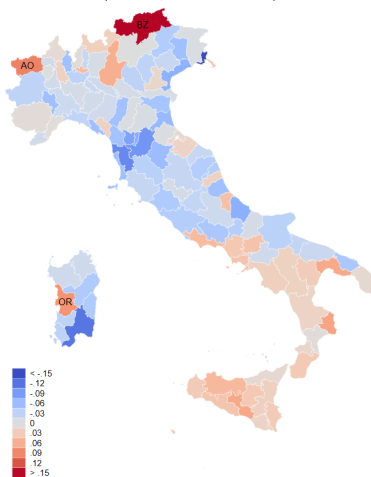
- In these mafia-prone jobs, wages increased by almost 40 percent within just 10 years
- These wages stayed higher than any other group



Based on the regressions controlling for Age, Age², College attendance, College attendance time-trend, CZ and Industry FEs
Estimates for 30 y.o. without college attendance

Wage Growth Map Based on Surnames

1940-1950 change in real log-wage based on origin
(CZ FEs, Intensive effect)



Summary and future steps

- We are the first to study the mafia infiltration into labor unions
- We show that mafia members are likely to be originary from Sicily, hence validating the within Italy signal of mafia presence
- (Teamsters) Unions in those locations are more likely to be lead by an Italian leader and remain as an incumbent
- The unions from likely captured unions are more likely to face prosecutions and those leaders are likely to be from Italian origin
- Starting in the 1940s Italians are more likely to work in Mafia CZs and Mafia industries, experiencing the largest increase in wages
- **Current task:** use names of Italians in the CENSUS to see whether the Sicilians were the “winners.”

Local union leaders: % Teamsters with Italian Surnames

- Both measures are highly correlated [▶ Back](#)

