

Fay Cleared In Tax Charge

NEWARK —AP— Joseph S. Fay, AFL building trades union leader, was acquitted last night by a jury on charges of evading \$118,879 in income tax payments from 1940 to 1942.

An 11-person jury—the 12th was dismissed two days after the trial opened when it was disclosed he had been a former member of Fay's union—deliberated only two hours and 39 minutes.

During the trial, two contractors testified they had paid Fay \$180,000 over a three-year period to promote peaceful labor relations on contracts they held on Delaware Aqueduct, a New York city water supply project. It was on this sum, the Government alleged, that Fay failed to pay income taxes.

Fay contended he received only \$70,000 and that this money was not taxable legally.

Fay, who is international vice-president of the Operating and Hoisting Engineers and business agent of its local 825, was convicted in 1945 on extortion and conspiracy charges in New York in connection with the Delaware Aqueduct. He is free on bail pending an appeal to the United States Supreme court.

The AFL union leader took the verdict stolidly. Later he said: "words are inadequate to express for myself and my family, my happiness and appreciation."

The jury received the case at 7:15 p. m., after an hour-long charge by Federal Judge Thomas F. Meaney.

Meaney told the jurors the burden was on the government to prove "beyond a reasonable doubt" that taxes were due on the money Fay received from the contractors and that he "wilfully attempted to evade them."

"Such a willful attempt seldom can be proved directly," he said, "but may be inferred from circumstantial evidence, such as the failure to keep adequate records, the results of which would be to mislead or deceive."

Meaney said the Government did not have to prove Fay owed taxes on the full \$180,000, it alleges, he received. Then, he added, if the jury believes Fay's testimony that the \$70,000 was spent for union activity "he is not guilty."

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As Pegler Sees It Discusses Aspects Of Fay's Jersey Trial

By WESTBROOK PEGLER

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AFTER A DIFFICULT INQUIRY which lasted about three years, special agents of the Treasury were able to present information to the Federal Grand Jury in Newark, N. J., indicating that Joe Fay, the plug-ugly gangster boss of the Operating Engineers' Union of the American Federation of Labor, had concealed income of \$197,000 in 1940, 1941 and 1942.



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On Dec. 10, the Grand Jury indicted Fay, charging that he had evaded taxes of \$137,548.

On Dec. 18, the Associated Press reported from Newark that the case was assigned to Judge Thomas F. Meaney and that Edgar H. Rossbach, the U. S. District Attorney, had announced that the trial was set to begin about Jan. 6.

Fay, though a rough, brutal hoodlum and a drunkard, is also one of the most audacious and resourceful political racketeers in the New Deal-underworld axis.

He is a henchman of Frank Hague, the Jersey boss, and an intimate social and political companion of most of the influential judges, public prosecutors

and other officials of the Hague machine in Newark and Jersey City.

He has lived in Newark for years and is a member of the biggest social club of Hague politicians. His influence is so strong that the average harmless citizen, drawn for jury duty, might be put in fear of ruinous reprisals of one kind or another, including physical violence.

JUDGE MEANEY, NAMED TO HOLD THE TRIAL, is an old, intimate friend and political protege of Fay's friend, Hague. He owes his appointment to Hague, an appointment which aroused strong objections in the U. S. Senate before he could be confirmed.

Altogether, the objections to Meaney's confirmation were such as to justify the most attentive scrutiny of his conduct of the Fay trial if he should fail to disqualify himself. Certainly Meaney could not impair public confidence in the honesty of the trial and the court if he should decide to let the Fay case go to some other judge, preferably a man from some other State.

Mr. Rossbach, the District Attorney, also is a member of the Hague political group. It will be up to him to present the case against Fay and, of course, to take any precautions that he believes necessary and wise to prevent tampering and to exclude from the box jurors who have relations with Fay or might be sensitive to temptation or pressure.

The possible ramifications of influence are infinite. A juror might be in debt to a bank controlled by the machine. He might have a relative in the employ of Fay or the machine. He might be a contractor or closely related to a contractor who could be ruined by union trouble from Fay.

Such are possibilities that a prosecutor is supposed to explore carefully in selecting a jury.

In this case, the judge, the prosecutor and the defendant all are members of a notorious political organization. The defendant is a desperate, ruthless and powerful politician who has been fighting for three years to keep out of prison.

And he is known to have the sympathy of a cynical and powerful old politician who say they feel they have been punished enough and the exper-

Jury Set for Fay Tax Trial

A jury was selected yesterday in Federal Court at Newark to hear the trial of Joseph S. Fay, AFL union leader, on charges of income tax evasion. Judge Thomas F. Meaney is presiding.

Vivian Emerson, a woman clerk, was chosen as foreman of the jury which, including two alternates, consists of nine men and five women.

Fay was indicted Dec. 10 on three counts of tax evasion, totaling \$137,548.

Meaney was selected for the trial because of his long experience as a judge in the Federal Court at Newark. He was appointed to the bench in 1938 and has since then presided over many trials.

Fay, 42, is charged with evading taxes of \$137,548 in 1940, 1941 and 1942. He is also charged with conspiracy to defraud the Government of \$118,879 in income tax payments from 1940 to 1942.

Fay is the vice president and business agent of Local 853, International Operating and Hoisting Engineers, in Newark. He was convicted in 1945, along with James V. Bove of the AFL Hod Carriers Union, on charges of extortion and conspiracy to extort in connection with a New York City water supply project. Both are appealing their conviction.

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