Chicago Labor Leader Collects $158,000 Public Pension

Infamous for political corruption, the city of Chicago rehired for one day former union leader Dennis Gannon (left), who as a result netted $158,000 in a public pension, according to the Chicago Tribune. Rehired by the city in 1994, Gannon was accorded an indefinite leave of absence after working a single shift. Raking in about five times greater than the average retired city worker, Gannon's lavish pension is a product of corrupt political massaging among Chicago union leaders and government officials.

After gaining high stature in labor politics, Gannon sought to gain from the city's skewed law that would allow him to remain in the municipal pension fund. So he was rehired and the next day granted a leave of absence to work for Local 150. Illinois law permitted Gannon to retire in 2004, at 50-years-old, and since then he has incurred approximately $1 million in pension benefits, and is expected to pocket about $5 million during his lifetime.

As reported by *The New American*, changes were made to the city's pension code in 1991 — without cost analysis or public debate among state lawmakers — which has granted 23 retired union officials a combined total of $56 million in pension benefits over their lifetimes, according to a *Chicago Tribune/WGN-TV* investigation. The law uses the leaders' union salaries to calculate their pension payouts, rather than their salaries as city workers, making their pension benefits nearly three times higher than the average retired city worker.

Amending the law's current stipulations will be challenging, as the state constitution hinders pension benefits from being lowered after they are already earned. Pension experts note that the current law provides untenable perks to union leaders and only encourages individuals to scam the system, while dampening the government's fiscal viability.

Even more disturbing is how the 23 union officials "retired," as they retained their high-paying union jobs while collecting their bloated city pensions — naturally, at the taxpayers' expense. "At a time when the public is going to be asked to pay higher taxes for fewer services, the revelation that there are benefits being paid for work that doesn't directly relate to official city business is outrageous," said Laurence Msall, president of the Civic Federation, a nonpartisan research group. "It also undermines the hardworking government employees when state statutes are manipulated to benefit a handful of people."

Terrance Stefanski, an overseer of Chicago's municipal pension fund, conceded that the city assisted

Mr. Gannon in receiving his bulky pension by hiring him for a single day. But due to the city's pension laws, it is out of his control. "Once the city rehired him and he went on a leave of absence to work for the union, he was eligible under the law," Stefanski asserted.

Until just last year, Gannon received his pension benefits on top of his union salary, which had surpassed $240,000, and he now collects from the pension while working for a hedge fund firm — one of Mayor Rahm Emanuel's biggest campaign contributors. The labor leader declined an interview from the *Tribune*, but issued a statement. "I am extremely proud of my many years of service to the city of Chicago and the working men and women of organized labor," he wrote. "I have always followed the pension laws governed by the state of Illinois statute as well as the city of Chicago municipal pension plan."

True, Mr. Gannon's hefty pension may be legal, but his lavish financial treatment just shows the corruption and politicking that plagues the public pension system — and the consequence is a fiscal wrecking ball for city, state, and federal governments. One must turn only to the United States Postal Service for validation.

On the bright side, at least Chicago is shoveling out pensions to former employees who are still alive. After all, according to a report last Friday from the Office of Personnel Management, the federal government doled out over $120 million over the last five years on pension payments for deceased retired employees.

Related article: Chicago Union Bosses Legally Loot City Pension Fund