

GOEX, Inc.  
&  
Unionization Of  
Production Workers  
At The  
Moosic, PA Black Powder Plant  
In  
1991-1993

In the early 1990's there were rumors in the black powder shooting community that Goex's black powder plant at Moosic, PA Was having labor problems. Then nothing more was heard in this matter.

In looking at data in the OSHA Inspection database the following information is to be found.

<u>Inspection date</u>	<u>Type</u>	<u>Mailing address</u>	<u>Workers' status</u>
05-13-1986	Planned	Moosic, PA	non-union
05-16-1991	Accident	Minden, LA	non-union
05-20-1991	Accident	Minden, LA	non-union
02-21-1992	Complaint	Moosic, PA	union
04-22-1992	Referral	Minden, LA	non-union
06-30-1992	Complaint	Minden, LA	non-union
10-30-1992	Follow Up	Moosic, PA	non-union
07-13-1995	Referral	Moosic, PA	union
06-04-1996	Referral	Minden, LA	union
04-17-1997	Accident	Minden, LA	union

Goex had purchased du Pont's black powder business in 1972. The black powder plant at Moosic, PA. Was the last operating black powder producing plant in the U.S. The Moosic, PA plant ran until 1997 when an accident put the plant out of production. The operation was then relocated to a site near Minden, LA. Some of the machinery from the Moosic, PA plant was then dismantled and shipped to the new plant in Louisiana.

Of particular interest in the OSHA data is the point where on 02-21-1991 the workers are being shown as being represented by a union. Then two months later the workers are not represented by a union. Then showing up in the 1995 inspection data as being represented by a union.

Additional information on the question of unionization of the Moosic, PA black powder plant came in the form of a testimonial letter written by the president of Goex. The letter lacking a date of preparation.

This testimonial letter has been used by a company known as Blankenship And Associates to solicit business. This Blankenship And Associates had sent a letter soliciting business from a job placement service owned and operated by this author's relatives.

The testimonial letter being reproduced on the following page.



Belin Plant  
1002 Springbrook Avenue  
Moosic, PA 18507

Phone (717) 457-6724  
FAX (717) 457-1130

TO: MY FELLOW EMPLOYERS

RE: BLANKENSHIP AND ASSOCIATES

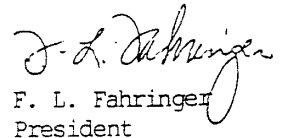
Goex, Incorporated was founded by Gearhart-Owen Industries in the spring of 1969 in Cleburne, Texas for the primary purpose of building an explosive loading, assembling and packing plant to manufacture munitions for the United States Government. On July 1, 1976, company owned facilities in Cleburne, Texas, Moosic, Pennsylvania and Alvarado, Texas were combined with Goex, Incorporated to form a wholly-owned subsidiary to manufacture commercial and military black powder and other explosive related products in military munitions such as the Maverick and Roland missile warheads. A year later, 1977, the Camden, Arkansas facility was acquired to expand the military munitions line and market products for commercial application in the explosives industry. Needless to say, our industry is very sensitive to any outside influence.

In 1991 our plant in Pennsylvania encountered several labor law related issues and allegations that represented a very sizeable loss to our company. Further, such intrusions, unopposed, would have resulted in the loss of a great deal of control of our workforce.

Realizing the potential eminent damage and also recognizing the need for legal assistance in these matters, a search was conducted for a law firm specializing in labor law. This search eventually led us to Blankenship and Associates, who were highly recommended by others, and as a result of thorough reference checks, I retained this firm to represent and advise us in these critical matters. After several months relationship with Ray Blankenship, I can state for a fact that their high degree of competency and expertise in labor law immediately became evident. Their appearance in our matters and their representation of our corporation has given me the necessary assurance of our success. When things were at their worst, these people found a way out for us. In short, I don't know if I could have made it through all the legal issues and government red tape without them.

If I can assist you in your capacity as CEO of your corporation in evaluating this firm, please feel free to call me.

Sincerely,



F. L. Fahringer  
President



FLF:mjg

Manufacturer of Authentic Black Powder

The testimonial letter gives information relating to the unionization of the Moosic, PA black powder plant production workers in 1991. Certain issues raised in this letter beg additional investigation and clarification.

Quoting from the letter:

“In 1991 our plant in Pennsylvania encountered several labor law related issues and allegations that represented a very sizeable loss to our company. Further, such intrusions, unopposed, would have resulted in the loss of a great deal of control of our workforce.”

“Realizing the potential eminent damage and also recognizing the need for legal assistance in these matters, a search was conducted for a law firm specializing in labor law. This search eventually led us to Blankenship and Associates who were highly recommended by others, and as a result of thorough reference checks, I retained this firm to represent and advise us in these critical matters.”

These quotes would lead one to believe that this Blankenship And Associates is a law firm would use to represent the company when the company is faced with unionization of a work force and the associated unfair labor charges that commonly arise out of such actions. This Blankenship And Associates being a law firm one would hire to defend against any unfair labor charges brought before the National Labor Relations Board.

To understand what service Blankenship And Associates actually played in this matter we must turn to the volumes of NLRP rulings available on the Internet through the National Labor Relations Board web site library. Searching for legal actions in which Blankenship And Associates were involved.

NLRB, Vol. 306, No. 205 - March 31, 1992

Described as “labor relation consultants”.

United States Court of Appeals for the Seventh Circuit, April 13, 1995

Blankenship And Associates, Inc. and Rayford T. Blankenship

v.

National Labor Relations Board

Described as “a labor-relations consultant”.

NLRB, Vol. 290, No. 557 - July 29, 1998

Case Name: Blankenship & Associates

“On April 4, 1986, the Employer contractually engaged the services of Respondent Blankenship And Associates, Inc. as the Employer’s representative in such NLRB case and any concurrent, subsequent or related cases, if any.”

NLRB, Vol. 329, No. 23 - Sept. 17, 1999

Wire Products Mfg., Corp.

“The Respondent’s agent, Ray Blankenship”

“and Rayford T. Blankenship, Wire Products labor representative and designated bargaining representative”.

NLRB, Vol. 330, No. 166 - April 11, 2000

Bethlehem Temple Learning Center, Inc.

“the Respondent’s consultant, Rayford T. Blankenship.”

Note that in none of these descriptions found in the NLRB rulings is the term “law firm” used to describe Blankenship And Associates or that company’s relationship with the company involved in the labor dispute.

Regarding the function of Blankenship And Associates relative to Goex’s; “several labor law related issues and allegations that represented a very sizeable loss to our company” & “Further, such intrusions, unopposed, would have resulted in the loss of a great deal of control of our workforce”.

To understand how Blankenship And Associates came to represent Goex, and for what purpose, one might turn to NLRB Vol. 306, No. 205. This case began in 1998, or 3 years before Goex contracted with Blankenship And Associates. Please keep in mind that Goex was located near the small town of Moosic, PA. The NLRB case about to be quoted came out of the Scranton office of the NLRB and involved an employer located at Scranton, PA, only a few miles away from Moosic.

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BLANKENSHIP & ASSOCIATES  
DECISIONS OF THE NATIONAL LABOR RELATIONS BOARD  
306 NLRB No. 205

Blankenship and Associates, Inc. and Rayford T. Blankenship and United  
Food and Commercial Workers International Union, Local 72, AFL-CIO-CLC.

Case 4-CA-16503-2

March 31, 1992

DECISION AND ORDER

BY CHAIRMAN STEPHENS AND MEMBERS DEVANEY AND RAUDABAUGH

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\1\The General Counsel has excepted to the judge's discrediting of Rayford T. Blankenship's testimony. We find merit in this exception. Although Blankenship represented himself, cross-examined some of the General Counsel's witnesses, and made comments on their testimony, he did not testify and cannot therefore be discredited. The Judge's error, however, does not affect his other findings and conclusions which are in most instances based on the uncontradicted testimony of the General Counsel's witnesses and are otherwise supported by a clear preponderance of all the relevant evidence.

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With respect to the first point, we review briefly Respondents' history of misconduct. For more than a decade, Blankenship's name has come before the Board as an agent who has committed repeated unlawful acts on behalf of the employer/clients who hired him. Respondents' pattern or practice of violations include: unlawful threats of loss of work or plant closing, \4\ unlawful undermining of support for a union by urging employees to bargain directly with the employer, \5\ overall bad-faith bargaining, \6\ locking out employees while engaging in bad-faith bargaining, \7\ and unlawful solicitation of grievances and promise of benefits.\8\

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The facts of the instant case demonstrate that Respondents' conduct continued when they acted for yet another client, Gress Poultry. Both Blankenship and his associate, Attorney Richard Buntele, made numerous threats of plant closure.

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\9\Buntele's misconduct is all the more regrettable because he, unlike Blankenship, is an attorney licensed to practice law and, therefore, charged with an even higher duty to honor and respect the law.

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ORDER

The National Labor Relations Board adopts the recommended Order of the administrative law judge as modified below and orders that the Respondents, Blankenship and Associates, Inc. and Rayford T. Blankenship, Greenwood, Indiana, their officers, agents, successors, and assigns, when acting as an agent for any employer subject to the jurisdiction of the Board, shall take the action set forth in the order as modified.

APPENDIX

Notice To Employees  
Posted by Order of the  
National Labor Relations Board  
An Agency of the United States Government

The National Labor Relations Board has found that we violated the National Labor Relations Act and has ordered us to post and abide by this notice when we are acting as an agent for any employer subject to the jurisdiction of the National Labor Relations Board.

We will not threaten employees with plant closure and more difficult working conditions.

We will not tell employees that Gress Poultry will not deal with the employees on a union negotiating committee if a union comes into the plant.

We will not remove pro-union or "Vote Yes" signs from automobiles belonging to employees or union organizers.

We will not take pictures of employees or union organizers.

We will not on any like or related manner interfere with, restrain, or coerce you in the exercise of the rights guaranteed you by Section 7 of the Act.

Blankenship and Associates, Inc. and Rayford T. Blankenship

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Findings of Fact

i. Jurisdiction

Respondent Associates is and has been at all times material, an Indiana corporation engaged in the business of labor consulting, including, but not limited to, representing management in labor relations matters from its principal office and place of business in Greenwood, Indiana.

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Agency and Responsibility

Associates and Blankenship were retained by Gress to act as Gress' representatives and with Buntele they performed certain services, albeit illegal ones. They wrote to employees, gave speeches to employees, and addressed employees individually, all on Gress' behalf. That's what they were paid for.

They represented Gress in the representation case at various stages and conferences, and at the election. Buntele signed the tally of ballots.

Respondents are clearly agents of Gress, and as such are employers within the meaning of section 2(2) of the Act, and are liable for the commission of Section 8(a) (1) conduct.

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The instant case does not involve any counseling. Blankenship and Buntele directly, personally, and grossly committed all the violations I have found in this case. I therefore find that both Respondents are fully responsible and liable for the unfair labor practices that they committed.

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### The Remedy

Having found that the Respondents have committed violations of Section 8 (a) (1) of the Act, I shall recommend that they be required to cease and desist therefrom and to post appropriate notices and to furnish and give appropriate notices to Gress. As Gress is not a Respondent in this proceeding, I will not and cannot require Gress to post such notices. The Respondent's violations in this case were so egregious and widespread, that in my opinion they warrant a broad order and I will recommend such an order.

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### ORDER

The Respondents, Blankenship and Associates, Inc. and Rayford T. Blankenship, Greenwood, Indiana, their officers, agents successors, and assigns, when acting as an agent for any employer subject to the jurisdiction of the Board, shall

1. Cease and desist from
    - (a) Threatening employees with plant closure and more onerous working conditions.
    - (b) Threatening employees with plant closure and telling them that Gress would not deal with employees on the negotiating committee in the event that the Union came into the plant.
    - (c) Removing pro-union signs from the automobiles of either employees or union organizers.
    - (d) Photographing employees and/or union organizers.
    - (e) In any other manner interfering with, restraining, or coercing employees in the exercise of their rights guaranteed in Section 7 of the Act.
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Going back to the testimonial letter on the Goex stationary, it would be hard to describe this Blankenship And Associates as a "law firm specializing in labor law". Having had 37 years in industry being represented at different times by the Teamsters, United Rubber Workers and the United Steel Workers, this has all the signs of union busting. Beyond question, the fastest way to alienate employess, especially those with an extended period of service with a company. Been there and seen that!

This is a questionable practice in industries noted for the manufacture of hazardous material, explosives, petrochemicals, etc.



From the files of the Region 4 Philadelphia NLRB Office.

RESPONDENT **Goex, Inc.**  
**1002 SPringbrook Avenue, Moosic, PA 18507** *Cate 10/20/00*

FILED BY: **Teamsters Local 229, IBT**  
**3104 North Main Avenue, Scranton, PA 18508-1497** *Jary*

BY: **Robert D. Mariani, Esq., Mariani & Greco, 11th Floor,**  
**Bank Towers Bldg., 321 Spruce St., Scranton, PA 18503**

CASE NO. **4-CA-21013**  
 DATE FILED **8-26-92**  
 SUFFIXES \_\_\_\_\_  
 COMPANION CASES \_\_\_\_\_

SECTIONS ALLEGED <b>8 (a) (1) (3) (5)</b>	INDUSTRY _____	NO 8 (a)(3)'s NO 8 (b)(2)'s _____	NO EMPL'D _____	INVS. <b>PECK/Shaw</b>	ASSIGNMENTS: (Name and date) <b>Complaint - 10/20/00</b> <b>Final - 11/18/93</b>
INVESTIGATION		SETTLEMENT		10(K) HEARING	
FIR <b>11/14/92</b> RECOMMENDING _____ APPROVAL <input checked="" type="checkbox"/> WD <input type="checkbox"/> SETTLE ISSUANCE <input checked="" type="checkbox"/> DIS. <input checked="" type="checkbox"/> COMPL. <b>10/23/92</b> REQUEST FOR ADVICE <input type="checkbox"/> RD OR AGENDA ACTION <b>10/23/92</b> <input type="checkbox"/> AS REC OTHER _____		SOLIC _____ OBT'D _____ ALLEGATIONS _____ <input type="checkbox"/> ALL PARTY <input type="checkbox"/> UNIL. <input type="checkbox"/> INFORMAL <input type="checkbox"/> FORMAL <input type="checkbox"/> ORAL OR <input type="checkbox"/> B.O. NON BD. <input type="checkbox"/> CT JDMT.		NOT. _____ HRG. DATE _____ HRG. OPND _____ CL _____ H.O.R. _____ BD. DET. _____	
ADVISE _____ REQUESTED _____ FILE TO WASH _____ RETD _____ ACTION _____		S.A. TO WASH _____ APPROVED _____ B.O. _____ CT. JDMT _____		COMPLAINT - HEARING SECTIONS _____ HR. DATE REQ'D _____ HR. DATE GRANTED <b>11-10-92 11am</b> <b>11/9/93 - 10am</b> COMPLAINT ISSUED <b>4-20-93</b>	
WITHDRAWAL <b>DT</b> SOL <b>REC'D 1/8/93</b> APPROVED <b>DT 1/21/93</b> <b>DISMISSAL</b>		INJUNCTION AUTH _____ 10( ) PET _____ ANSWER _____ BRIEF _____ COURT JDMT _____ <input type="checkbox"/> GRANTING <input type="checkbox"/> DENYING DISSOLVED _____ DISMISSED _____ OTHER _____		CONSOLIDATED WITH _____ ANSWER <b>5-10-93</b> HRG. <b>11-18-93</b> HRG. POSTP <b>11-18-93</b> CANCEL HRG. OPND _____ CL _____ BRIEF TO ALJ _____	
LTR <b>10/30/92</b> APPEALED <b>11/12/92</b> FILE TO WASH <b>12-22-92</b> <b>3/1/93</b> DISM SUSTAINED <b>3/18/93</b> DISM REVERSED _____ FILE RETURNED <b>1/27/93</b> ; <b>3/23/93</b>		DEFERRAL DATE _____ TYPE LTR _____		ENF. REC. _____ TRANS. TO ENF. _____ CCA PROCEEDINGS: _____ PET. FILED _____ COURT ORDER _____ PET. CERT. _____ DISPOSITION <input type="checkbox"/> WD <input type="checkbox"/> DIS. <input type="checkbox"/> ADJ. ORAL/NON-BOARD COMPLIANCE WITH _____ <input type="checkbox"/> SETT. AGT. <input type="checkbox"/> ALJD <input type="checkbox"/> B.O. <input type="checkbox"/> CT JDMT <input type="checkbox"/> BD. DET. 10(K) DATE CLOSED _____ DESTROYED _____ OR _____ SENT TO ARCHIVES _____ FORM NLRB-4204 (1-88) <b>C CASE RECORD CARD</b>	

*10/28/92 - Remanded to RD for addl invest done 1/27/93*  
*1/29/93 - Remanded to RD for addl invest done 1/27/93*  
*3/1/93 - Report on further investigation*  
*10/28/93 - Order reached & desig place of Arg (11/9/93 - 10am -*  
*Scranton, PA)*  
*11/1/93 - Resp's pet to revoke GC's July DT*

So what we see in this are unfair labor practice charges being filed against GOEX, Inc. by Teamsters Local 229, IBT. With Teamsters Local 229 being the union that the Moosic, PA plant production workers joined. This Teamsters Local 229 having on the average 3,000 members in the area around Scranton, PA.

The union charging GOEX, Inc. with violating Sections 8(a) (1) (3) (5) of the NLRA.

## **The National Labor Relations Act**

The NLRA was enacted by Congress in 1935. It was hailed at the time and for many years after as the Magna Carta of America labor. Previously, employers had been free to spy on, interrogate, discipline, discharge, and blacklist union members. But in the 1930's workers began to organize militantly. A great strike wave in 1933 and 1934 included citywide general strikes and factory takeovers. Violent confrontations occurred between workers trying to form unions and the police and private security forces defending the interests of anti-union employers. Some historians believe that Congress adopted the NLRA primarily in the hopes of averting greater, possible revolutionary, labor unrest.

The NLRA guaranteed workers the right to join unions without fear of management reprisal. It created the National Labor Relations Board (NLRB) to enforce this right and prohibited employers from committing unfair labor practices that might discourage organizing or prevent workers from negotiating a union contract.

The NLRA's passage galvanized union organizing. Successful campaigns soon followed in the automobile, steel, electrical, manufacturing, and rubber industries. By 1945, union membership reached 35% of the work-force. In reaction, industrialists, and other opponents of organized labor sought to weaken the NLRA. They succeeded in 1947 with the passage of the Taft-Hartly Act, which added provisions to the NLRA allowing unions to be prosecuted, enjoined, and sued for a variety of activities, including mass picketing and secondary boycotts.

The last major revision of the NLRA occurred in 1959, when Congress imposed further restrictions on unions in the Landrum-Griffin Act.

### **Key Provisions**

The most important sections of the NLRA are Sections 7, 8, and 9.

Section 7, is the heart of the NLRA. It defines protected activity. Stripped to its essential, it reads:

Employees shall have the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid and protection.

Section 7 applies to a wide range of union and collective activities. In addition to organizing, it protects employees who take part in grievances, on-the-job protests, picketing, and strikes.

Section 8 defines employer unfair labor practices.

Five types of conduct are made illegal:

\* Employer interference, restraint, or coercion directed against union or collective activity (Section 8(a)(1))

\* Employer domination of unions (Section 8(a)(2))

\* Employer discrimination against employees who take part in union or collective activities (Section 8(a)(3))

\* Employer retaliation for filing unfair-labor-practice charges or cooperating with the NLRB (Section 8(a)(4))

\* Employer refusal to bargain in good faith with union representatives (Section 8(a)(5))

Threats, warnings, and orders to refrain from protected activities are forms of interference and coercion that violate Section 8(a)(1).

Disciplinary actions, such as suspensions, discharges, transfers, and demotions, violate Section 8(a)(3). Failures to supply information, unilateral changes, refusals to hold grievance meetings, and direct dealings violate Section 8(a)(5).

Section 8 also prohibits union unfair labor practices, which include, according to legal construction, failure to provide fair representation to all members of the bargaining unit.

Section 9 provides that unions, if certified or recognized, are the exclusive representatives of bargaining unit members. It prohibits the adjustment of employee grievances unless a union representative is given an opportunity to be present, and establishes procedures to vote on union representation.

The NLRA sets out general rights and obligations. Enforcing the Act in particular situations is the job of the NLRB.

So the allegations presented in the union complaint fall right in line with behavior seen in other NLRB cases that involved Blankenship And Associates and the Rayford T. Blankenship mentioned in the testimonial letter written by F.L. Fahringer in praise of the services provided to GOEX, Inc.

We see in the testimonial letter that the unionization of the Moosic, PA powder plant workers began in 1991 and that this contest did not end until sometime in 1993.

To see how this contest effected operations at the Moosic, PA powder plant we might best judge that using records from the OSHA inspection library.

The following information is found if one does a search in OSHA's on-line inspection library.



Search Options						
Establishment	Date Range		RID	State	Limits	Include/Exclude
GOEX Inc	1972-07-01	2010-12-31	All	PA	100/2500	

Get Detail + All Reset				Found 11 -- Processed 11 -- Selected 11 -- Displayed 11							
	Activity Nr	Open Date	Report ID	St	Type	Sc	SIC	Vio	Establishment Name		
<input type="checkbox"/>	1	<a href="#">106475858</a>	04/17/1997	0317700	PA	Accident	Part	<a href="#">2892</a>	4	Goex Inc	N157 000005754
<input type="checkbox"/>	2	<a href="#">106474521</a>	06/04/1996	0317700	PA	Referral	Part	<a href="#">2892</a>		Goex Inc	N157 000005754
<input type="checkbox"/>	3	<a href="#">102935442</a>	06/04/1996	0317700	PA	Referral	Comp	<a href="#">2892</a>	49	Goex Inc	N157 000005754
<input type="checkbox"/>	4	<a href="#">106466857</a>	07/13/1995	0317700	PA	Referral	Part	<a href="#">2892</a>		Goex Inc., Belin Plant	0317700
<input type="checkbox"/>	5	<a href="#">109360867</a>	10/30/1992	0317700	PA	FollowUp	Part	<a href="#">2892</a>		Goex Inc., Belin Plant	0317700
<input type="checkbox"/>	6	<a href="#">109360909</a>	06/30/1992	0317700	PA	Complaint	Part	<a href="#">2892</a>	2	Goex Inc	N157 000005754
<input type="checkbox"/>	7	<a href="#">109360297</a>	04/22/1992	0317700	PA	Referral	Part	<a href="#">2892</a>		Goex Inc	N157 000005754
<input type="checkbox"/>	8	<a href="#">109356303</a>	02/21/1992	0317700	PA	Complaint	Part	<a href="#">2892</a>	3	Goex, Inc. Belin Plant	0317700
<input type="checkbox"/>	9	<a href="#">109368803</a>	05/20/1991	0317700	PA	Accident	Comp	<a href="#">2892</a>	5	Goex Inc	N157 000005754
<input type="checkbox"/>	10	<a href="#">109364190</a>	05/16/1991	0317700	PA	Accident	Comp	<a href="#">2892</a>	18	Goex Inc	N157 000005754
<input type="checkbox"/>	11	<a href="#">100413053</a>	05/13/1986	0317700	PA	Planned	RcRv	<a href="#">2892</a>		Goex Inc.	0317700

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In viewing this data keep in mind that GOEX purchased the plant from du Pont in 1972. The same year that the federal government formed the Occupational Safety and Health Administration, or OSHA. We see no OSHA inspections at the plant from 1972 until 1986. A period of 14 years. Then an inspection in 1986 following the loss of a packing/sifting house. Then we have the 1991 explosion that involved 3 fatalities. Then a number of inspections.

To get a better view of the union and plant safety issues we might look to the parent company of Goex up until January 2000.

In 1972, du Pont had sold the black powder business, the Moosic, PA black powder plant, to Gearhart-Owens. The powder cans came through with "GO" on the label. After a few years the cans were marked "GOI".

In 1981, Gearhart and Owens separated. The various companies that had formed Gearhart-Owens were split up between the partners. The black powder business became part of a new company, formed from the breakup, known as Pengo Industries.

Pengo was heavily concentrated in the oil and mineral extraction business. Within a very short period of time, this Pengo Industries was in deep financial trouble. In 1982, the price of Pengo common shares of stock varied in value from \$33.875 per share down to \$2.375 per share.

In 1985, the Securities and Exchange Commission (SEC) halted the trading in Pengo stocks in the stock market.

In 1986, what became known as the oil price crash occurred. The price of crude fell from a high of \$40 a barrel in 1980 to \$12 a barrel in 1986.

The number of operating oil wells fell to a fraction of those operating in 1980. This had a major impact on Pengo's primary businesses.

In late 1988, Pengo was forced into Chapt. 11 Bankruptcy Court. Pengo was then bought by "The Wood Group".

The Moosic, PA black powder plant was in and of itself quite profitable. Rumors abounded that the profits from the black powder plant were being siphoned off by the parent company, Pengo, in an effort to prop up the failing divisions.

In times such as these there is a pattern seen in American business. The entire company is instructed to economize. Generally, wage increases are suspended. Worker fringe benefits are reduced or held at a fixed level. Plant expansions or modernization is out of the question. Generally, maintenance of machinery and buildings is limited to expenditures only needed to keep the production running.

Note that the OSHA table shows a total of 23 violations for the two inspections performed as a result of the 1991 explosion. This figure is the number of violations after Goex contested the results of the two inspections were a greater number of violations were cited. The subject of this complaints showed that maintenance at the plant had been at best minimal for a considerable number of years.

## Summation.

Gearhart-Owens purchased, in the black powder business, what was a moderately profitable business in 1972.

After 10 years of operation the parent company fell on hard financial times.

Then pulled all of the profit out of the business and put nothing into the business that would sustain it into the future.

By the late 1980's the workforce became restive under the budget restraints imposed upon the operation of the black powder plant by the parent company.

The workforce then tried to organize into a labor union.

The company responded in a manner intended to beat off the unionization which further alienated the majority of the workforce.

Dispirited, disaffected workers become a danger to themselves and those workers around them. In an operation, such as explosives manufacturing, this is usually an invitation to disaster.

The numerous periods of down time following such incidents resulted in volume customers seeking other sources for the product.

This loss of business simply exacerbates the factors involved in the financial problems facing the continuance of the business.

Unchecked, the combined factors reduce profitability to the point where the business can no longer operate.

The business was then moved South to a newly built facility designed to produce on a reduced scale and with non-union labor.