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ORGANIZED CRIME IN THE UNITED STATES:

A
REVIEW
OF
THE PUBLIC RECORD

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If we do not on a national
scale attack organized
criminals..., they will
destroy us.

Robert F. Kennedy
The Enemy Within p. 253
(Popular Library ed. 1960)

Preface

These materials were prepared at the Notre Dame Law School during the summer of 1981 under the supervision of Professor G. Robert Blakey. Those who assisted in their preparation include Leslie D. Allard, John B. Dougherty, Matthew P. Feeney, William J. Lawrence, Paul M. Leary, Randy A. Tice, and Michele M. Wendling. The manuscript was typed by Linda Harrington, Sylvia Gillis and Arby Ellsworth.

G.R.B.
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A. Introduction

Al Capone, who was probably the most notorious of America's gangsters, aptly summed up at the peak of his prosperity the public's ambivalent attitude toward organized crime: "[T]hey call Capone a bootlegger...What's Al done? He's supplied a legitimate demand.... Some call it racketeering. I call it a business."¹ A folk hero of the Prohibition era, Capone successfully hid his true self behind a benign public image as a servant of our illicit desires, and many were fooled, since they failed to consider the ultimate source of his power: his willingness to commit cold-blooded murder. Often, the violence was rationalized, as for example in the title of Dean Jennings' 1967 popular biography of another folk hero, the late Benjamin "Bugsy" Siegel, "We Only Kill Each Other."² Unfortunately, little changed in the public consciousness after Prohibition, and it was possible in the 1970s for gangster chic to supplant the radical chic of the 1960s. Too few eyebrows were raised when a fashionable New York hostess, Marta Orbach, invited a Mafia killer, Joseph Gallo, for regular Sunday brunches, where opeople like David Steinberg, the comedian, or Neil Simon, the playwright, made small talk--at least until Gallo was gunned down on April 7, 1981, as he celebrated his 43rd birthday in Umberto's Clam House on Mulberry Street in Manhattan.³ Four months later, a short, stocky man walked into a bar in Manhattan, took a sip of water, set the glass down, pulled out two pistols and fired nine bullets at a group of Kosher meat dealers, killing two and seriously wounding the other two. Apparently, it was all a tragic mistake.⁴ The Jewish businessmen had just taken the place at the bar of four members of the Mafia family of Joseph Columbo, and the gunman--so the police suggested--was out to

avenge the killing of Gallo, who had been at odds with Columbo. There has never been a limit on the violence of organized crime. It can affect anyone, and it has.

B. Meaning of Words

"When I use a word," Lewis Carroll's Humpty Dumpty said, "it means what I choose it to mean--neither more or less."⁵ Like Humpty Dumpty's language, the term, "organized crime," can mean whatever the speaker chooses to make it mean.⁶ It can be used to refer to crimes committed--bootlegging, gambling, or prostitutions, or it can refer to the criminal groups that commit them. A distinction is sometimes drawn between an organized crime "enterprise," which engages in providing illicit goods or services, and an organized crime "syndicate," which regulates relations between individual "enterprises"--allocating territory, settling personal disputes, offering protection from rival groups and criminal prosecution. Syndicates, too, have been different types. They have been metropolitan, regional, national, or international in scope, and they have been multi-service or limited to only one field of endeavor--for example, narcotics. Traditionally, however, most public attention has been focused on one national, multi-service syndicate. The organization has been called a variety of names by its own members. In Chicago, it is the "Outfit." In Buffalo, it is "The Arm." In New York City, it is "La Cosa Nostra."⁷ Only the public continues to call it the "Mafia" or "the mob." The degree to which terms like Cosa Nostra or Mafia, however, conjure up stereotypes of Italian-American gangsters is unfortunate. As Joseph Valachi, the mob informer, put it, "I'm, not talking about Italians, I'm talking about criminals."⁸ Nevertheless, the ethnic

character of the dominant indicate in organized crime is, as it will be shown, an accident of history; criminality is not an essential character trait of a particular group of American citizens.

C. Roots of Organized Crime

The roots of organized crime run deep in American history and culture.⁹ The early pirates were among the first Americans to engage in organized crime. The revolutionary period, too, produced its smugglers, many of whom--such as John Hancock--are now counted among the Founding Fathers. The 19th century also produced a variety of violent gangs: the city mobs of New York and San Francisco arising out of ethnic friction, poverty, and the crude politics of the early metropolises; the highwaymen and slave snatchers of the old West; the river and port pirates, such as Jean Lafitte, a hero of the War of 1812. The end of the century produced its frontier gangs, who were either mercenaries or parties to the struggle over land, cattle, mining and timber properties. The aftermath of the Civil War also saw a variety of gangs, which, since they were usually held together by the force of a strong personality, dissipated upon the leader's death: the James boys, the Daltons, and the Youngers. The late 19th and early 20th centuries saw the rise of the great city-wide gang combinations, usually in alliance with the nouveaux riches and the nouveaux politiques. The first gangs of the Little Old New York area were Irish, and a pseudo-scientific study in 1881 concluded that the Irish were criminal by nature: even though they were a minority of the population, they made up a majority of the prison inmates.¹⁰ But by the turn of the century in New York, the Jewish gangster had come into his own. New York's Police Commissioner, Theodore Bingham, noted that even though Jews make up

only 25 percent of the population, they committed 50 percent of the crimes.¹¹ The Prohibition era in New York saw the rise of Arnold Rothstein, who was immortalized by F. Scott Fitzgerald as the Great Gatsby, and who fixed--so they say--the 1919 World Series.¹² But, by the middle of the 1930s, the Italians in many areas of the nation, especially in the Northeast and Midwest, had gained some semblance of dominance,¹³ although rarely a monopoly of organized crime activities.

D. National Awakening

1. The 1950 Conference

The beginning of a national effort to understand and combat organized crime may be best¹⁴ dated from the Conference on Organized Crime that was called by Attorney General J. Howard McGrath at the urging of the U. S. Conference of Mayors, the American Municipal Association, the National Institute of Municipal Law Officers, and the National Association of Attorneys General.¹⁵ The conference was part of the annual meeting of United States Attorneys. Law enforcement officials from all over the nation met in Washington on February 15, 1950 to consider the growing nationwide scope of organized crime, particularly in professional gambling. New Orleans' liberal mayor, De Lesseps S. Morrison, spoke for the majority:

We do not have the whole picture--but each of us present--and hundreds of other(s) ...[has] seen a small segment of this national scene of organized...crime. These pieces fit together in a pattern of mounting evidence concerning several highly organized...syndicates whose wealth, power, scope of operations, and influence have recently grown to...alarming proportions.¹⁶

He went on to comment specifically on the casino and slot machine gambling operations of Frank Costello, Phil Kastel, and Carlos Marcello in Jefferson Parish, La., and the takeover of a nationwide wire service that supplied horse-race results to bookmakers, by the "old Capone gang."¹⁷ Morrison's view of the nationwide character of organized crime was echoed by Will Wilson, the district attorney from Dallas, Texas, who cited as evidence slot machines and punchboards that had come to his city from Chicago. Wilson added that the syndicate's control over gambling in his area was maintained "by dealing in killing, killing of the most reckless kind."¹⁸ He told of the effort to kill a policeman by wiring a bomb to his car, which killed the policeman's wife instead. Later, the policeman himself was wounded, but not killed, as he left his home. The gang finally finished the job by shooting him through a hospital window. The majority view at the conference, however, was not universally shared. A U. S. Attorney from Chicago, Otto Kerner, dissented. "There was," Kerner said, "no organized gambling in the city of Chicago...." He then told the Conference that he did "not know that the Capone syndicate exist[ed]. I have read about it in the newspapers. I have never received any evidence of it."¹⁹ The Mayor of Los Angeles, Fletcher Brown, took issue with Kerner. He said he would like to say that his city was "lily-white, but it...[was] not."²⁰ He agreed with the majority. "This is no fiction about organized crime--it is a reality, and it extends from one end of the nation to the other."²¹

2. Results of the 1950 Conference

The 1950 conference was an important step in the development of a national awareness of organized crime, and a number of its participants

subsequently made significant contributions in the effort to combat it. When Price Daniel, attorney general of Texas in 1950, for example, became United States Senator from Texas, his efforts led in 1956 to tough narcotic laws, which were to result in the convictions of several syndicate leaders.²² Otto Kerner, on the other hand, though he went on to become Governor of Illinois in 1960 and a United States Circuit Court Judge in 1968, was convicted on February 19, 1973 of accepting \$150,000 in bribes from horse-racing interests in Illinois.²³ And J. Vincent Keogh, the U. S. Attorney from Brooklyn and later a New York Supreme Court Justice, was convicted in 1962 with Anthony Corallo, a New York underworld figure, of improperly attempting to influence a bankruptcy petition.²⁴ Eugene Keogh, Vincent's brother, had been a close friend of President Kennedy and one of the "five people who were most helpful," according to Robert F. Kennedy, "to the President in the [1960] election."²⁵

The Attorney General's Conference considered a number of recommendations, the most important of which was for a Senate investigation of organized crime, though it was blocked by Attorney General McGrath. Nevertheless, a resolution authorizing a Select Senate Committee for that very purpose which was then pending in the Senate under the sponsorship of Senator Estes Kefauver of Tennessee, was adopted by the Senate.

E. The Kefauver Investigation²⁶

1. Background

1948 was a good year for the nation and the Democrats, the party in power.²⁷ The Marshall Plan in Europe was widely applauded; there was prosperity at home; and Harry Truman had just accomplished what no one thought he could: a come-from-behind election victory. But less than a

year after the election, it all changed. China fell to the Communists; the economy took a nosedive; and the integrity of the Truman Administration was undermined by the "influence peddler" scandals. In 1950, Congress was in a restless mood, and DeLesseps Morrison, the New Orleans Mayor and president of the American Municipal Association, took advantage of it by pressing for an investigation of organized crime, as he had pressed the Attorney General for a crime conference in 1950. Concerned by what he had learned from a 1948 study by a crime commission appointed by California Governor Earl Warren and having talked at length about organized crime with newspaper reporters,²⁸ Senator Kefauver introduced Senate Resolution 202 on January 5, 1950. It called for a sweeping examination of organized crime in the United States. Swift passage of the resolution, however, was not assured. Democrats feared that too much light would be shed on alliances between gangsters and the big-city political machines that their party dominated; Republicans feared a whitewash. "As I look back on the struggle to get the committee," Senator Kefauver later observed,²⁹ "I sometimes wonder that we were ever able to bring it into existence." In fact, it took a tiebreaking vote by Vice-President Alben Barkley to bring the Senate Special Committee to Investigate Organized Crime in Interstate Commerce into existence.³⁰

Senator Kefauver was 46 in 1950, born of a socially prominent Tennessee family. He had served in the House of Representatives since 1938 and had just been elected to his first term in the Senate. He was known in the House as one of the brightest and most effective of the Southern liberal bloc, something of a political maverick. His selection of the committee's staff, too, broke traditional practices. He would, he said, "like to see all personnel chosen without regard to patronage

or politics."³¹ "Competence rather than influence," he noted,³² "[should be] the yardstick for choosing the staff." Fortunately, he got his way, and Rudolph Halley, who had distinguished himself on the well-regarded Truman and Mead committees that had looked into war contract abuses, was chosen as Chief Counsel; Harold Robinson, who had served not only with the Truman committee, but also on Warren's California Crime Commission, was named chief investigator. Kefauver was well-served, for both were men of ability and integrity.³³ Kefauver had a vision for the committee.³⁴ His concern was not with crime in general, but organized crime, and he wanted answers to certain basic questions: Did a nationwide crime syndicate exist? If so, where did its sources of power lie? To what degree had it purchased the cooperation of local governments? Kefauver was permitted to move ahead in his independent fashion, according to Theodore Wilson, the historian, "not because he was trusted, but because few people in either party believed that his investigation would receive much attention."³⁵ They could not have been more wrong. The nation paid careful attention to the work of the freshman Senator from Tennessee, and he almost became President.

2. Scope of Investigation

The Kefauver committee in conducting the first nationwide investigation into organized crime, held hearings from May 10, 1950 until May 1, 1951. Kefauver himself traveled 52,380 miles and presided over 92 days of hearings.³⁶ In all, the committee heard more than 800 witnesses in Miami, Kansas City, St. Louis, Philadelphia, Chicago, Tampa, Cleveland, Detroit, New Orleans, Las Vegas, San Francisco, Los Angeles, Saratoga, and New York City.³⁷ The New York hearings were televised live and seen by an estimated 30-million people.³⁸ On the eve

of the opening day of the probe, Attorney General McGrath said that the Justice Department had no persuasive evidence that a "national crime syndicate" existed.³⁹ Kefauver would supply that evidence.

The principal interest of the Kefauver committee was professional gambling, particularly casino gambling, which was found to be operating wide-open throughout the country. Bookmaking was equally widespread, as were illegal slot machines and punch boards. Professional gambling was found by the Kefauver committee to be "the principal support of big time racketeering and gangsterism."⁴⁰ The Kefauver committee made only a cursory examination of the narcotics traffic (it found it to be a "highly organized crime"⁴¹) but its pioneer study of the infiltration of legitimate business was a milestone. It found that the "unscrupulous and unethical business practices, extortion, banking, and other forms of violence"⁴² were being used by racketeers in legitimate enterprises, and it found "evidence of hoodlum infiltration in approximately 50 areas of business," ranging from A to T, "advertising" to "transportation."⁴³

3. Chicago

The Kefauver committee visited Chicago on three separate occasions, amassing a record of 1,416 printed pages of hearing transcript, the most for any single city.⁴⁴ Quite contrary to Otto Kerner's view of Chicago, the committee found that the rackets were thriving. Senator Kefauver wrote in his book, Crime in America:

If we had gone no farther than Chicago in our quest for evidence of...the link between organized crime and politics, we could have written a complete report-in-miniature of the nationwide criminal and political corruption.⁴⁵

The committee found no casinos in operation in Chicago proper, but just outside the city limits, particularly in Cicero where there was a

tradition of corruption, the committee found numerous plush gambling houses.⁴⁶ Policy play, however, was widespread within the city itself, especially in the densely populated South Side. The committee estimated the policy play in the preceding five years at \$150,000,000, a sum in light of Kerner's declaration that there was no organized gambling in Chicago. Chicago was also found to be the source of the slot machines and punch boards used throughout the United States; and the base of the racing news service that was essential for offtrack betting by bookmakers.⁴⁷ Most disturbing to the committee, however, was the open and bipartisan alliance that existed in Chicago between crime and politics. Roland Libonati, a Democratic state senator, and James J. Adducci, a Republican state senator, both from the West Side, were identified as leaders of a bloc of legislators that associated with racketeers and fought to defeat reform legislation.⁴⁸ As the committee's final report quoted John Roselli, a Chicago hoodlum at the time:

[T]he wire service, the hand books, the slot machines, and the other rackets which have thrived in the city of Chicago cannot operate without local corruption; if the hand books are open, the conclusion is inescapable that the police are being paid off.⁴⁹

The Kefauver committee traced the rise of power in Chicago of Alphonse Capone from an obscure, scar-faced, 23-year-old bodyguard of Johnny Torrio, his mentor, in 1924, to the absolute master of Chicago crime by 1929--brothel keeper, bootlegger and gambler.⁵⁰ As the committee noted, however, Capone was convicted in 1931 for tax evasion, and his reign ended, although he left behind an organization that would be run by the men around him: Jake "Greasy Thumb" Guzik, his business adviser, Frank Nitti, Felice DeLucia, Anthony Accardo, Murray Humphries

and the Fischetti brothers, Charles and Roco, Capone's cousins.⁵¹

4. Al Capone

As described in Francis X. Busch's Enemies of the State,⁵² a raid was conducted on The Strip, a Cicero gambling house, following the brutal murder, apparently by Capone gunmen, of Assistant United States Attorney William H. McSwiggen on April 26, 1926.⁵³ The raid itself was not federally directed, but what it uncovered led to Capone's downfall at the hands of the U.S. government.

In March 1929, a group of citizens met with President Hoover and told him that Capone ruled Chicago.⁵⁴ Hoover then directed that all Federal agencies concentrate on Capone. A two-pronged strategy was developed. Frank J. Wilson headed up a special unit of the Internal Revenue Service that directed its attention to Capone's tax returns.⁵⁵ Eliot Ness was in charge of a special unit of the Prohibition Bureau, which was interested in Capone's beer empire.⁵⁶ Of the two, Ness's job was the more dangerous. Only wiretaping Capone's headquarters enabled Ness to steer clear of Capone's gunmen. As a result of the raid on The Strip, a dusty cashbook was found from which it was possible, through a bank deposit slip, to identify Lou Schumway, a Capone bookkeeper. Further bank record examinations led to Fred Reis, another Capone employee. Both men eventually were persuaded to cooperate with the government. Schumway was hidden in California until the trial and Reis was sent to South America. Based on their testimony, Capone was charged with failing to file income tax returns in 1924, 1928, and 1929 and with tax evasion for the years 1925 through 1929. He was also indicted separately for a violation of the Prohibition law, though never tried because of the conviction and

sentence on the tax charges. The government's tax case largely consisted of proof of specific items of income not reported and of Capone's lavish life style. The principal defense argument presented by Capone's lawyer, Albert Fink, was that the prosecution would not have been brought but for the name of the defendant. United States Attorney George E. Q. Johnson responded to Fink's charge:

They say we prosecute because of the name.... Consider the thousands of little men and women who earn only a little more than \$1,500 a year and pay their taxes. Is it public clamor to demand taxes due in time of national financial stress and treasury deficit from a man who buys two hundred and fifty dollar diamond belt buckles and twenty-seven dollar shirts? There is no denying the public interest, but I am not asking you to think of this man as Alphonse Capone. Future generations will not remember this case because of the name Alphonse Capone, but because it will establish whether or not a man can go so far beyond the law as to be able to escape the law.

Johnson's comment about the public awareness of future generations did not prove accurate, but his argument was persuasive. On October 17, 1931, 11 days after the trial opened, the case was submitted to the jury, which deliberated for eight hours, apparently with discrimination for Capone was found not guilty of failure to file a tax return in 1924, and guilty of only five of the remaining counts against him. On October 24, Capone was sentenced to two consecutive five-year terms and fined a total of \$50,000. After two years in the Federal penitentiary in Atlanta, he was transferred to Alcatraz in San Francisco, where he remained until 1939. Upon his release he was a desperately sick man, suffering from unmistakable signs of paresis, the deterioration of mind and body stemming from untreated syphilis.

While the tax conviction ended Capone's lawless career, his not being tried for other crimes deprived the public of a full appreciation

of the true character of the man. Capone was born on January 17, 1899 in Brooklyn, N.Y., of immigrant parents, who had come from Naples in 1883.⁵⁸ He died in 1947. One of his most infamous acts was the St. Valentine's Day Massacre in 1929, in which seven men were machine-gunned. Only one, Frank Gusenberg, lived long enough to tell about it, but when asked who shot him, Gusenberg replied, "Nobody shot me. I ain't no copper."⁵⁹ Capone was also the personal author of an unrecorded number of murders, including the bludgeoning with a baseball bat of three enemies at a dinner in their honor.⁶⁰ They were Guisepe Giunta, Albert Anselmi, and John Scalise, three officers of the Unione Siciliana, a legitimate fraternal organization founded in 1895, which by 1928 had been largely taken over and made a front for the Mafia.⁶¹ No witnesses, however, were ever found to testify against Capone in a murder trial. Until the Federal government stepped in with its tax case, he was above the law.

5. Following the Investigation

According to the Kefauver committee,⁶² Capone's power passed first to Frank Nitti, who committed suicide in 1943 while under indictment in a highly publicized motion picture industry extortion prosecution; next to Felice DeLucia; and then to Anthony Accardo, an old Capone bodyguard who may have been one of the planners of the St. Valentine's Day Massacre.⁶³ The faces changed, but the nature of the syndicate did not. Its response to the Kefauver hearings was typical, as evidenced by the murder of two important witnesses before they could testify: William Drury, a former police captain, and Marvin J. Bas, an attorney. Kefauver commented on the evidence developed in Chicago:

[O]rganized crime and political corruption go hand in hand....There [can] be no big-time

organized crime without a firm and profitable alliance between those who run the rackets and those in political control.⁶⁴

The people drew similar conclusions, and they acted upon them in an election that happened to be held right after one of the Kefauver committee's trips to Chicago. There had been an attempt by the committee to paint a balanced picture of corruption in both parties, but the people did not see it quite so even-handedly, and numerous Democratic office holders were defeated on November 7, 1950, including Majority Leader of the U. S. Senate Scott Lucas, who attributed his undoing by Everett M. Dirksen to Kefauver's hearings.⁶⁵

6. New Orleans

The Kefauver committee visited De Lesseps Morrison's New Orleans. As in Chicago, there were no casinos within the city, but just over the Orleans Parish line--in Jefferson and St. Bernard Parishes--there were a number of plush houses. The Kefauver committee called it "one of America's largest concentrations of gambling houses."⁶⁶ One of the most elaborate, featuring "expensive night club entertainment," was the Beverly Club, which was owned by Phil Kastel, Frank Costello and Jake Lansky, all of New York, and Carlos Marcello, who the Kefauver Committee identified as the local Mafia leader. The slot machine racket had been imported in the mid-1930s into New Orleans by Costello, who made a deal with Huey P. Long, then a U.S. Senator, after Costello had been threatened with banishment from New York City by Mayor-elect Fiorello La Guardia. After Morrison was elected Mayor in 1946, the Costello operation was moved to the neighboring parishes, but illegal pinball machines still flourished in the city,⁶⁷ apparently with the aid of corruption. The Kefauver committee found an alliance between gangsters and corrupt "sheriffs, marshalls and other law enforcement officials."⁶⁸

7. Carlos Marcello

The Kefauver committee prepared a profile of the man it identified as the organized crime leader in New Orleans.⁶⁹ Carlos Marcello was born February 6, 1910 in Tunisia, of Sicilian parents, who immigrated to New Orleans later that year.⁷⁰ His real name was Calogero Minacore, which was subsequently changed to Marcella and later masculinized to Marcello.⁷¹ Marcello was, the Committee found, active in all phases of the rackets in the New Orleans area. He operated casinos, horse betting parlors and slot machines; he was involved in the narcotics traffic.⁷² In addition, Marcello had invested heavily in legitimate businesses, including bars, restaurants, inns and food processing concerns, particularly seafood and other frozen foods.⁷³ Marcello's nationwide criminal contacts included Costello in New York, Joseph Civello in Dallas, Sam Yaras in Chicago and Mickey Cohen in Los Angeles.⁷⁴ Marcello's New Orleans was also found by the Kefauver committee to have supplied the weapon⁷⁵ for a Mafia murder in Tampa, Fla., where Santos Trafficante, Sr. had been the "reputed Mafia leader...for more than twenty years."⁷⁶

8. New York

As the committee traveled from city to city, it seemed as if "Kefauver had accomplished...his aim," as Theodore Wilson noted, "of conducting a fair, non-partisan inquiry,...[bringing] the staggering dimension of organized crime before the American people."⁷⁷ Opposition to the probe, however, was growing, and not only from defeated politicians like Scott Lucas of Illinois. Senator Ray McCarron of Nevada, for example, was outraged at the Kefauver committee's report on the dominance of organized crime in Las Vegas. Nevertheless, there was little the opposition could do, and attention soon turned to the

committee's work in New York City, where hearings were opened on March 12, 1951. For eight days, America watched spellbound as some 40 witnesses marched confident to be sworn in, only to be "reduced to an incoherence of belligerent silence," as Wilson noted, "by [Chief Counsel] Halley's devastating questioning and the calm, confident behavior of Kefauver and his colleagues."⁷⁸ Where the earlier hearings had considered general aspects of organized crime, the New York hearings personalized the corrupt alliance between crime and politics by focusing on two men--Frank Costello and William O'Dwyer.

9. Frank Costello

Costello was born Francesco Castiglia on January 26, 1918, in Lauropoli, a hill town in Italy's southernmost province, Calabria.⁷⁹ When he was four, he was brought to New York by his parents, where they traded a life of rural squalor for an existence of urban poverty.⁸⁰ Yet by the time of the Kefauver committee's hearings, Costello was hardly a man of the slums: his apartment was on the fashionable West Side of New York; his summer home was in Sands Point; and he traveled regularly each year to Florida, New Orleans, and Hot Springs, Ark.⁸¹ He presented himself to the Kefauver committee as a legitimate businessman, with interests in real estate, oil, and as a friend of politicians, though not a politician. The Kefauver committee saw him quite differently: he was a bootlegger who had moved into the legitimate liquor industry; he was the owner of illegal casinos and slot machines; and he was a bookmaker.⁸² The criminal syndicate he headed included such big-name criminals as Meyer Lansky, Joe Adonis, Willie Moretti, Abner Zwillman, Vito Genovese, and Joseph Profaci, and he was associated with Joseph Lanza, Charles Luciano, and Carlos Marcello, all reputed hoodlums.⁸³

The Kefauver committee credited him with the political dominance of Tammany Hall, the New York City political machine in 1942. The evidence on Costello was unusually reliable, since it had been obtained from wiretaps by Manhattan District Attorney Frank Hogan, which, the committee observed, "gave a vivid picture of Frank Costello as a political boss and an underworld emperor."⁸⁴

10. William O'Dwyer

William O'Dwyer followed a much different career. He was a policeman from 1917 to 1924 at which time he left the force to practice law.⁸⁵ He was elected to a judgeship in 1938 and, in 1940, became district attorney of Kings County, which gave him jurisdiction over the Borough of Brooklyn. As District Attorney, he conducted an investigation of more than 20 gangland murders. With the help of one of the hired killers, Abe Reles, who turned state's evidence, O'Dwyer's office identified an organization, popularly known as Murder, Inc., which was headed by Albert Anastasia (though he was said to report to Joe Adonis) and staffed by Jewish gunmen. Murder, Inc. was responsible for numerous killings in New York and elsewhere, but on November 12, 1941, before an indictment could be returned against Anastasia, Reles plunged to his death from the bedroom of his suite on the sixth floor of Coney Island's Half Moon Hotel, even though he was under the protection of a special squad of six policeman.⁸⁶ According to the Kefauver committee, however, there was little evidence that O'Dwyer ever intended to seek an indictment of Anastasia, who continued to maintain a "stranglehold,"⁸⁷ as the committee characterized it, on the Brooklyn waterfront through control of a local of the International Longshoremen's Association.⁸⁸ The Murder, Inc., investigation was, the Kefauver committee found, riddled with "glaring deficiencies."⁸⁹

Nevertheless, O'Dwyer was able to ride it to political advantage, and in 1945, he was elected Mayor of New York. Yet the committee concluded about O'Dwyer, who was the United States Ambassador to Mexico at the time of the hearings:

A single pattern of conduct emerges from...[his] official activities in regard to the gambling and waterfront rackets, murders, and police corruption, from his days as District Attorney through his term as mayor. No matter what the motivation of his choice, action or inaction, it often seemed to result favorable for men suspected of being high up in the rackets.⁹⁰

11. Race Wire Service

As a case study of the nationwide operations of organized crime, the Kefauver committee examined the wire service, which provided bookmakers with up-to-the-minute racing news, an essential ingredient in any betting operation. As the committee noted, the "wire service (was)...as essential to a bookmaker as the stock ticker to a stockbroker."⁹¹ The committee found that the dominant corporation in the racing news business, Continental Press, was controlled by the old Capone syndicate.

The first wire service, Nationwide News Service, was founded in the 1920s by M.L. "Moe" Annenberg, whose principal associate was James A. Ragen, Sr. In the face of a monopoly investigation and an inquiry into his income tax affairs, however, Annenberg had to divest himself of his interest in 1939.⁹² Annenberg's legitimate publishing interests would develop into Triangle Publications, publisher of TV Guide. The company was transformed into Continental Press Service. By 1946, its management having changed more than once, Continental ended up in Ragen's hands, but that was when trouble began. Mickey Cohen and Joseph Sica, acting on behalf of West Coast Mafia leader Jack Dragna, tried to muscle into

the company, and a Chicago firm controlled by Anthony Accardo and the Capone syndicate, R&H Publishing, began to give Continental competition. A new nationwide service, named Trans-America, was founded, and it began to displace Continental in a number of cities, including New Orleans. On June 24, 1946, Ragen was shotgunned in typical gangland style.⁹³ He died three months later of mercury toxin poisoning, even though he was under police guard. Four witnesses identified Lenny Patrick, Dave Yaras, and William Block as the gunmen,⁹⁴ but after one witness was murdered, two others recanted, and another fled, the indictment was dropped. Continental passed into the control of the Capone syndicate without further violence. Carlos Marcello was named its New Orleans distributor, and Jack Dragna was awarded a \$50,000 "service contract."⁹⁵ Bookies everywhere had to deal with the national syndicate's front operation--and pay a premium--or go out of business.⁹⁶

12. Structure of Organized Crime

Senator Kefauver was particularly interested in the structure of organized crime. His committee concluded at the completion of its hearings:

The structure of organized crime today is far different from what it was many years ago.... New types of criminal gangs have emerged during prohibition.... Organized crime in the last thirty years has taken on new characteristics.... Criminal groups today are multi-purpose in character, engaging in any racket wherever there is money to be made.... The Mafia...has an important part in binding together into a loose association the...major criminal...gangs and individual hoodlums throughout the country.... The domination of the Mafia is based fundamentally on 'muscle' and 'murder.'... [It]...will ruthlessly eliminate anyone who stands in the way of its success...

13. Accomplishments

Other than its clear portrayal of the structure of organized crime, the accomplishments of the Kefauver committee were hard to measure. With the exception of the Johnson Act,⁹⁸ which regulated the interstate shipment of gambling devices, its legislative proposals were not received favorably until they were embodied in the Kennedy Administration's legislative program, which was passed by Congress in 1961.⁹⁹ Some scholars were even critical of its work. William Moore, in The Kefauver Committee and the Politics of Crime, argued that Kefauver launched the probe for political gain, and the thesis of a national syndicate was erroneous.¹⁰⁰ If there was agreement on anything, it was generally conceded that the Kefauver committee was successful in arousing the consciousness of the public and stirring its sensitivity to organized crime. Nevertheless, the professional politicians--a hostile array of urban bosses, vengeful congressmen, white Southerners and a resentful outgoing President--denied Kefauver the presidential nomination in 1952 and again in 1956. Kefauver did secure the vice-presidential spot on the Adlai E. Stevenson ticket in 1956, after a down-to-the-wire roll-call contest with the junior Senator from Massachusetts, John F. Kennedy. But in 1956, as in 1952, the November election went to the Republicans. Senator Kefauver came close--closer than most--to being elected President, in large part due to the public image as a crime fighter that his hearings established for him. As it was, organized crime faded from public view until November 14, 1957.

F. The Apalachin Meeting

1. The Raid

November 14, 1957, was a typical fall day in Apalachin, N.Y.,

a small town near Binghamton in Broome County. For some time, Sergeant Edgar D. Croswell of the New York State Police had kept his eye on the 130-acre estate of Joseph Barbara, Sr., on McFall Road, a 15-foot-wide dirt road that ran from old Route 17 to Apalachin Creek, beyond Barbara's \$150,000 home.¹⁰¹ Croswell knew that Barbara, who owned a local Canada Dry distributorship, had been mixed up in bootlegging, associated with gamblers, and was suspected of involvement in several gangland slayings. In 1956, he had met at the Arlington Hotel in Binghamton with a number of known gangsters, including Carmine Galante, John Bonventre and Joseph Bonanno. Barbara, in short, was thought to be the "man behind all of the rackets in Broome County," as Croswell would later testify.¹⁰²

On November 13, 1957, Croswell and a fellow trooper noticed suspicious out-of-state cars parked at the Parkway Motel in Vestal, which is near Apalachin.¹⁰³ Upon inquiry, they learned that Joseph Barbara, Jr. had reserved rooms at the motel for guests, some of whom had not registered, even though they were staying there. Croswell alerted the Alcohol and Tobacco Tax Division of the U.S. Treasury Department that it might be a meeting like the one in 1956, which was thought to have concerned illicit alcohol,¹⁰⁴ and the following day, Croswell, his partner, and two Alcohol and Tobacco Tax agents drove out to the Barbara estate to check it out, arriving there around 12:40 p.m.

They drove into a parking area, planning to take the license numbers of the few parked cars they expected to find. Instead, they found eight to ten cars in the lot and another 20 to 25 over near a barn. As the officers backed out of the parking area, eight to ten men came from behind the garage. They were, Croswell said, "sharply dressed" in [d]ark clothing," like "men in the rackets wear"; they looked like

"hoodlums."¹⁰⁵

The officers decided to set up a check point on old Route 17 near its junction with McFall Road, a point that any car leaving the estate would have to pass to reach the highway. From this vantage point, the officers could see the gathering begin to break up about 1:20 p.m. A number of men fled into the woods. Some left by car. The first car to be stopped, with five persons in it, arrived at the check point at 1:25 p.m. The driver was Russell Bufalino of Pittston, Pa., whom Croswell recognized as having been arrested for receiving stolen property.¹⁰⁶ A passenger was Vito Genovese of New Jersey, who, Croswell knew, had "an extensive criminal background." Croswell asked Genovese: "What are you doing in this area?" "I don't think I have to answer your question, do I?" Genovese replied. "No," Croswell answered.¹⁰⁷ The car was permitted to pass on. Between 1:20 and 2:30, a total of 25 persons was counted at the check point, while others were stopped in the woods or along other roads. In all, 59 men were identified as having been at the Barbara residence. Collectively, they had more than \$300,000 cash on them.¹⁰⁸ From New York City, they included Joseph Bonnano, Joseph Magliocco, Carlo Gambino, Carmine Lombardozzi, Joseph Profaci and John Bonventre; from Niagara Falls, Anthony Magaddino; from New Jersey, in addition to Genovese, Gerardo Catena, Joseph Ida and Frank Majuri; from California, Frank DeSimone; from Texas, Joseph Civello; and from Havana, Cuba, Santo Trafficante, Jr.¹⁰⁹

2. Aftermath

Because of the police raid of the Apalachin gathering, organized crime was back in the public eye. Investigations were immediately launched to determine the purpose of the meeting -- by the FBI, the

Internal Revenue Service, the Immigration and Naturalization Service, the Alcohol and Tobacco Tax Division, federal and state grand juries, the New York, Los Angeles, and Dallas police departments and legislative committees of both the New York and United States Senates. There were no less than 133 examinations of the Apalachin attendees, including 27 instances before federal grand juries and 29 by the FBI.¹¹⁰ But most of those questioned, like Genovese, said nothing. Of those who said anything, most claimed they were there to visit "a sick friend." That was Russell Bufalino's story.¹¹¹ DeSimone, however, said he had come East to see an eye doctor and that Bufalino had invited him and Civello, his cousin, to a party.¹¹² Civello, on the other hand, told Dallas Chief of Police Carl F. Hanson that "Russ," a man he did not know but had met in New York City, had invited him to a barbecue and a crap game.¹¹³ Not one of them would admit it was anything more than a chance meeting -- pure coincidence that so many of them had got together at one time. The government, of course, did not believe it was a chance event for a number of reasons, not the least of which was the order Joseph Barbara, Sr., had placed on November 5, 1957, with Armour and Company of Binghamton for 207 pounds of steak, 20 pounds of veal cutlets and 15 pounds of luncheon meats.¹¹⁴

A federal grand jury indicted 27 of the attendees for conspiracy to obstruct justice and perjury. After an eight-week trial, the jury agreed, and on January 13, 1960, a verdict of guilty was entered by the Honorable Irving R. Kaufman, United States District Judge for Manhattan.¹¹⁵ Among the 84 witnesses who testified at the trial, one was the former Chief Counsel of a United States Senate committee that had conducted its own investigation of the meeting, Robert F.,

Kennedy.¹¹⁶ Profaci had sought, as part of his defense, to show that he did not speak English well. Kennedy testified that he had spoken with Profaci in his office before he testified before the Senate Committee and in the hall afterwards. Profaci "spoke...in perfect English--perfect English, broken perfect English, but he understood what I was saying to him and I understood what he was saying to me." Kennedy testified.¹¹⁷ Profaci had told him, Kennedy said, that a "partner" of his who had "recently died" had been a friend of Barbara, and he was wondering "how Barbara was feeling," so he paid him a visit.¹¹⁸ The jury's verdict was not, however, upheld on appeal. The evidence of conspiracy, the Second Circuit held, was insufficient. Noting that there were "suspicions...that [the Apalachin meeting] was...of underworld overlords and their vassals, commonly credited with being members of the Mafia," the court observed that it was "surely a matter of public concern that more [was] not known of the purposes of the meeting," but its judgment had to rest on the evidence, and it was lacking, "if not on the question of falsity itself, at least on the question of agreement to tell false stories."¹¹⁹ Judge Charles Clark concurred, adding that "the most curious feature" of the case was "that after all these years there [was]...not a shred of legal evidence that the Apalachin gathering was illegal or even improper either in purpose or fact."¹²⁰

~~The court's judgment epitomized an attitude that was a source~~
of great frustration for law enforcement. Apalachin had occurred. Common sense told all but the agenda of the meeting. Yet even with the power to grant immunity, the government could not break the wall of silence or prevent perjury from being committed. Several attendees

even spent months in jail for civil contempt for not talking or for giving evasive testimony when they did talk.¹²¹ The significance of Apalachin lay in the ample circumstantial evidence that the participants had gathered for sinister purposes, though the specific purposes could not be ascertained at that time. Much of what the public then learned about the meeting, however, was the result of the efforts of the Senate Select Committee on Improper Activities in the Labor or Management Field, called the McClellan Committee for its Chairman, John L. McClellan of Arkansas. The Chief Counsel of the McClellan Committee, the working-level leader, was Robert F. Kennedy.

G. The McClellan Investigation

1. The Teamsters

In November and December 1956, Robert Kennedy made a trip to the West Coast, visiting Los Angeles, Portland and Seattle.¹²² He stopped in Chicago on December 20, on the way back to Washington. Kennedy had been taking a preliminary look at labor racketeering and in Chicago, he reached a critical conclusion: Dave Beck was a crook.¹²³ The implications of that conclusion were disturbing, for Dave Beck was the president of one of the nation's largest unions, the International Brotherhood of Teamsters. If Kennedy's conclusion was correct, there was justification for a full Senate investigation, but which committee should undertake it? After much discussion, the decision was made to create a select committee, with McClellan as chairman. The membership included Senator Kennedy of Massachusetts. "Bobby wanted me on that committee," Kennedy said later, "in order to keep it more balanced."¹²⁴ Otherwise, it would have been too conservative, too anti-labor. The McClellan committee was created by a unanimous vote of the Senate on

January 30, 1957, and it immediately got down to work. During the first year, the staff traveled 650,000 miles, interviewing 16,000 witnesses in 44 of the 48 states. The committee held 104 days of hearings involving 486 witnesses.¹²⁵ In its first major investigation, the committee found that Dave Beck had abused his trust by receiving more than \$32,000 in kickbacks;¹²⁶ and he had helped himself to more than \$370,000 in union funds altogether.¹²⁷ Beck had capitulated to forces within the Teamsters who had promoted the interests of racketeers and hoodlums. Beck was convicted in state court and imprisoned for larceny in 1957, and he was found guilty of tax evasion in federal court in 1959.¹²⁸ As a power in the labor movement, Beck was finished, although he went free in May 1975,¹²⁹ having obtained a full pardon from President Gerald R. Ford.¹³⁰ Beck's downfall, however, proved to be the occasion for the rise to the presidency of the union of another labor leader, whose ties to organized crime were even tighter--James Riddle Hoffa.

2. Jimmy Hoffa: Background

Born on February 14, 1913, in Brazil, Indiana, Hoffa lost his father, a coal miner, when he was seven.¹³¹ His mother had to go to work to support him and his two sisters. In 1924, she moved to Detroit, eventually ending up on an auto assembly line. Hoffa quit school at 14 and went to work as a stock boy in Frank & Cedar Dry Goods and General Merchandise. In 1932, Hoffa, then working on the loading platform at the Kroger Food Company, started a work stoppage and founded a union, Local 19341, which was affiliated with the American Federation of Labor. In 1935, the local was absorbed into the Teamsters, and in 1936, it was merged into Local 299, which was to be Hoffa's home base for more than 45 years.

Hoffa's association with racketeers began on a romantic note. As a young organizer, Hoffa met and had an affair with an attractive woman named Sylvia Pigano. Pigano later moved to Kansas City, where she married Sam Scaradino, who was involved in the rackets. When Scaradino changed his name to Frank O'Brien, Pigano's son took the name of her husband; he became Charles O'Brien. After O'Brien died, Pigano had an affair with Frank Coppola, her son's godfather. Coppola, who lived in Kansas City and Detroit, was a major narcotics smuggler and an associate of Charles Luciano, Phil Kastel and Carlos Marcello. He was deported to Italy on January 9, 1948. It was through Pigano that Hoffa met Detroit underworld figures, including Santo Perrone, a strikebreaker and bootlegger,¹³² and Angelo Meli.¹³³ Hoffa's friendship with Perrone and Meli made the first Teamsters city-wide strike, in April 1937, successful, for he was able to get the mob to stay neutral.¹³⁴ It also was the beginning of an alliance that contributed mightily to Hoffa becoming the Teamsters' president in September 1957. Dave Beck's downfall was the result of an election the McClellan committee termed "rigged."¹³⁵

3. Jimmy Hoffa: The Investigation

Following its investigation of Beck, the McClellan committee turned to Hoffa. It was the beginning of what Hoffa termed the "Kennedy vendetta."¹³⁶ "We were like flint and steel," Hoffa said. "Every time we came to grips the sparks flew."¹³⁷ The committee's investigation¹³⁸ considered Hoffa's rapid ascent to leadership, his centralization of power, his questionable business transactions with trucking companies and his associations with a number of organized crime figures, including John Dioguardi, Anthony Corallo and Paul Dorfman.¹³⁹ For the committee,

Hoffa's relationship with Dioguardi and Corallo typified the subversion of the labor movement by the underworld. Dioguardi was described by the Committee as a "three-time convicted labor racketeer and the suspected instigator of the [acid] blinding of columnist Victor Riesel,"¹⁴⁰ who had been writing a newspaper expose on corruption in the labor movement. The case against Dioguardi for the Riesel assault was dismissed, when the actual assailant was found dead and other witnesses refused to testify.¹⁴¹ Dioguardi, identified in subsequent investigations as a member of the Lucchese family of La Cosa Nostra,¹⁴² obtained control¹⁴³ of a local of the Allied Industrial Workers of America in 1950, in part through the aid of Paul Dorfman, who the McClellan committee described as "an associate of Chicago mobsters and the head of a local of the Waste Material Handlers Union"¹⁴⁴ in Chicago. As Dioguardi's influence grew, he enlisted the assistance of Corallo, who the McClellan Committee described as a "long-term kingpin in the New York narcotics and labor rackets."¹⁴⁵ Subsequent investigation identified him as a caporegima in the Lucchese family.¹⁴⁶ Dioguardi and Corallo brought into the industrial workers union 40 individuals who had been arrested 178 times and convicted 77 times for such crimes as theft, narcotics, extortion, bookmaking, assault, robbery, burglary, forgery, and murder.¹⁴⁷ Even after they joined the local, 25 of them were indicted or convicted for extortion, perjury, bribery, or forgery. The union hardly represented its members. In particular, it worked closely with employers to legitimize the misery of thousands of Black and Puerto Rican employees, who were forced to tolerate low wages, high initiation fees and dues, no welfare benefits, no seniority, and poor working conditions --unheated buildings in the winter and uncooled buildings in the

summer.¹⁴⁸ Despite their background, Hoffa supported Dioguardi and Corallo, as state court order wiretaps showed,¹⁴⁹ in a taxi driver organization drive in 1954 against Thomas Hickey, who represented Hoffa's own Teamsters. In 1956, Hoffa initiated a successful effort to bring the Dioguardi-Corallo local into the Teamsters and to take over Joint Council No. 16, the ruling body of New York City's 58 Teamster locals. It was also during this time that Hoffa lent his support to the corrupt International Longshoremen's Association in its fight with the American Federation of Labor.¹⁵⁰

In July 1957, before the McClellan committee held hearings on the Dioguardi-Corallo local, Hoffa was tried and acquitted for attempting to bribe a committee lawyer, John Cye Cheasty. Despite FBI films of the passing of information and an arrest of Hoffa right after the money was exchanged,¹⁵¹ Hoffa was able to win acquittal from a jury of eight blacks and four whites with a variety of tactics, including the appearance of Joe Lewis, the former heavyweight champion, who came into court and publicly embraced Hoffa. According to Kennedy, however, Hoffa won the case for three principal reasons: he hired Edward Bennett Williams to defend him; he was a forceful witness in his own behalf; and the government's case was poorly prepared.¹⁵² Following his acquittal, Hoffa testified before the McClellan committee, initially on August 20, 1957. His tactic was to avoid pleading the fifth amendment, claiming instead a poor memory. Kennedy, using a lawful phone tap secured from the office of Manhattan District Attorney Frank Hogan, conducted a devastating cross-examination, bringing out the close ties between Hoffa and Dioguardi. Kennedy later commented about the use of taps to cross-examine a witness. "He can say very forcefully someone's a liar--that's

easy. But here we had his own voice on the tapes. He couldn't deny it."¹⁵³ Hoffa left the committee hearing a wounded, but not disabled, man. He was subsequently indicted in New York on a wiretapping charge, which first ended in a hung jury, then an acquittal, in the spring of 1958. He was also indicted in New York for perjury, but the case had to be dropped when the U. S. Supreme Court ruled unexpectedly in 1957 that state court order wiretaps could no longer be used in evidence.¹⁵⁴ The McClellan committee held further hearings on Hoffa in 1958, which confirmed and added detail to the sordid picture painted in 1957.¹⁵⁵ Nevertheless, unlike Beck, Hoffa's contest with the Committee did not result in his unseating. It was a blunt and acrimonious confrontation in an investigative setting that would only later be settled in a judicial forum.

4. The Apalachin Meeting

Following the meeting of underworld leaders at Apalachin on November 14, 1957, the McClellan committee turned its attention to organized crime--its structure and membership. In June and July 1958, there were hearings on the background of the Apalachin attendees, which was summarized in the committee's final report. Of the 59 men who had been identified as in attendance, 50 had arrest records, 35 had convictions and 23 had spent time in jail or prison.¹⁵⁶ The committee broke the statistics down further: 18 of the men had either been arrested or questioned in connection with murder investigations; 15 had been arrested or convicted for narcotics; 30 had been arrested or convicted for gambling; and 23 had been arrested or convicted for the illegal use of firearms. As to their legitimate business activities, nine were or had been in coin-operated machine businesses; 16 were

involved in garment manufacturing or trucking; 10 owned grocery stores or markets; 17 owned taverns or restaurants; 11 were in the olive oil-cheese importing or exporting business; nine were in the construction business. Others were involved in automotive agencies, coal companies, entertainment establishments, funeral homes, horses and racetracks, linen and laundry enterprises, trucking companies, waterfront unions and bakeries. One was a conductor of a dance orchestra. The McClellan committee did not credit the participants' story that the meeting had been a chance event, citing the extensive telephone communications between the attendees that preceded it.¹⁵⁷ The conclusion of the committee was reflected in remarks of Chairman McClellan during the hearings, which were quoted in the committee's final report:

There exists in America today what appears to be a close-knit, clandestine, criminal syndicate. This group has made fortunes in the illegal liquor traffic during prohibition, and later in narcotics, vice and gambling. These illicit profits [are today invested in]... legitimate business. ... [T]he criminal syndicate¹⁵⁸ is not...localized...but national in scope.

A measure of the wealth that the syndicate members and their associates had amassed was later described by Kennedy in terms of the life style of Mickey Cohen, the west coast mobster:

Our investigation and hearings show[ed] that Mickey Cohen spent \$275 for his silk lounging pajamas, \$25,000 for a specially built bullet-proof car and at one time had 300 different suits, 1,500 pairs of socks and 60 pairs of \$60 shoes.¹⁵⁹

He could have added something about their power. A movie script of The Enemy Within¹⁶⁰ was prepared by Budd Schulberg, the author of On the

Waterfront, an exceptional 1954 film about union corruption. When Columbia Pictures, however, was advised through William Bufalino, an attorney for Hoffa, that Twentieth Century Fox had wisely decided not to produce the film out of fear that Teamster drivers would refuse to deliver the print to theaters, Columbia also decided to abandon the project.¹⁶¹ The movie was never made.

In separate remarks attached to the McClellan committee report, Senator Kennedy noted that in "the modern criminal underworld we face a nationwide highly organized and highly effective internal enemy."¹⁶² He then called for new approaches for "racketeer control."¹⁶³

The investigation into corruption in the labor movement that was directed by Robert Kennedy for the McClellan committee was probably the most extensive ever conducted by Congress.¹⁶⁴ In some three years, 270 days of hearings were held, 1,526 witnesses were examined and a staggering 46,150 pages of testimony filled 59 volumes of transcript. One witness in five told the committee that a truthful answer to a question would tend to incriminate him.¹⁶⁵ In all, 2.5 million miles were travelled and 8,000 subpoenas were issued. In the end, officials of 15 unions and over 50 companies were shown to have been involved in illicit practices,¹⁶⁶ often under the domination of organized crime. The investigation amassed an impressive set of facts, and it left Robert Kennedy with an abiding conviction: "If we do not on a national scale attack organized criminals with weapons and techniques as effective as their own, they will destroy us."¹⁶⁷

II. The Kennedy Administration

1. The Attorney General

On January 20, 1961, at noon, John Fitzgerald Kennedy was sworn in

by Chief Justice Earl Warren as the 35th President of the United States. It was a bright, clear, sunny but cold day, all the brighter and colder for the new snow that had fallen the night before and still remained on the ground. On the temporary wooden grandstands raised on the east steps of the Capitol, the contrasts between the outgoing and the incoming Presidents were striking. One a product of the rural Midwest; the other a product of the urban Northeast. There were differences in age--79 against 43--religion--Protestant and Catholic--and philosophy of life and politics--conservative and liberal. Eisenhower seemed to represent an ending, Kennedy a beginning. Yet Eisenhower had served eight years; Kennedy would be President but a thousand days.

As President-elect, Kennedy had talked with his brother at their home in Hyannisport, Mass. Was he interested in becoming Attorney General? Robert Kennedy said "No." He "had," he said, "been chasing bad men for three years, and [he]...didn't want to spend the rest of [his]...life doing that."¹⁶⁸ In the end, the President told him he needed him. The younger brother had no choice.

2. Priorities

Robert F. Kennedy had a number of priorities as Attorney General. He was concerned about poverty in the administration of justice; he was concerned about civil rights programs; but, most of all, he was concerned about organized crime; and it was a concern that begot action. In his first interview as Attorney General, Kennedy told Peter Maas of Look, a family friend, that organized crime was his number-one priority.¹⁶⁹ At his first press conference, he announced that his organized crime drive had the President's backing and needed national support.¹⁷⁰ "Don't tell me what I can't do," he would say to the

ever-negative staff attorneys at Justice, "tell me what I can do."¹⁷¹ Before Kennedy, recalled Henry Peterson, a career attorney in the Organized Crime and Racketeering Section of the Criminal Division in 1960, "people would ask you to define [it]....Robert Kennedy came in and said, 'Don't define it, do something about it.'"¹⁷² Nevertheless, the obstacles to doing something about organized crime were formidable. As late as January 1962, J. Edgar Hoover, the Director of the FBI, was on record as saying, "No single individual or coalition of racketeers dominates organized crime across the nation."¹⁷³ For years, stories have circulated that Frank Costello, whom Hoover knew, convinced him that there was no national organization involved in organized crime, and, once convinced, Hoover did not easily change his mind.¹⁷⁴ As both men are dead, the truth of these stories cannot be determined. The fact of Hoover's early attitude, however, was real. Some of the other 26 Federal investigative agencies may have been more receptive to the idea that a national crime syndicate existed--the Bureau of Narcotics, for example--but none of those involved in them was especially excited about cooperating and sharing information, or working under the leadership of Justice Department attorneys. Robert F. Kennedy may not have changed those attitudes, but he did change performances, and the results were impressive.

3. Results: Administrative

Hoover said the FBI did not have adequate legal jurisdiction to investigate organized crime. Kennedy fought for the passage of new criminal statutes dealing with interstate racketeering legislation that had originally been proposed by the Kefauver committee, but ignored by Congress.¹⁷⁵ He tried hard, too, but failed, to get legislation

authorizing court order wiretapping.¹⁷⁶ The number of attorneys in the Organized Crime and Racketeering Section in the Department of Justice was increased from 17 to 55 between 1960 and 1964.¹⁷⁷ Criminal intelligence from the various investigative agencies was pooled. Targets were selected for concentrated attention: the list started out at 40, including Mickey Cohen and John Roselli on the West Coast; Anthony Accardo and Sam Giancana in the Midwest; Carlos Marcello and Santo Trafficante, Jr., in the South; and numerous Apalachin attendees from the Northeast.¹⁷⁸ By 1964, the list had grown to 2,300 top mob figures and their associates, and the Organized Crime and Racketeering Section also had 175,000 cards in its master file of information on racketeers and associates.¹⁷⁹

Kennedy's way of using the Internal Revenue Service in the Treasury Department was a good illustration of the impact of his personality on the government--in his own right and as the President's brother. Mortimer Caplan, who had taught Robert Kennedy at the University of Virginia Law School, was appointed Commissioner of Internal Revenue, but first Kennedy made sure that Caplan supported vigorous tax enforcement against the mob.¹⁸⁰ Kennedy knew that he would be "criticized on the grounds that tax laws are there to raise money for the government and should not be used to punish the underworld."¹⁸¹ Ramsey Clark, the Assistant Attorney General for the Lands Division, later named Attorney General by President Johnson, believed, for example, that even if you applied "tax criteria," it was not "okay to select organized crime cases...."¹⁸² But that was precisely Kennedy's point. Should mob figures, because they were mob figures, be free to evade taxes? Kennedy believed that the arguments against bringing mob prosecutions in the tax area "were specious."¹⁸³ Moreover, Kennedy could argue that revenue

raising was a function of the organized crime program, for while he was Attorney General, the IRS civilly assessed top racketeers a quarter of a billion dollars in taxes beyond the amount paid when they had filed their returns.¹⁸⁴ Attorney General Kennedy addressed a group of IRS agents on the importance of the tax program:

The reason that this [program] has received such top priority...is not that [Secretary of the Treasury] Mr. Dillon is interested in it, ...but the fact that the President himself is personally interested ...He served on the McClellan committee for three years and became personally interested....Your work is of great importance.¹⁸⁵

Kennedy did more than make speeches, giving the program personal attention. Regional Directors of the IRS who did not support the program were transferred.¹⁸⁶ The program paid off in concrete results. IRS man-days of participation in organized crime investigations rose from 8,836 in 1960 to 96,182 in 1963.¹⁸⁷ In 1967, the President's Commission on Law Enforcement and the Administration of Justice found that 60 percent of all organized crime prosecutions brought between 1961 and 1965 turned out to have originated in tax investigations.¹⁸⁸

4. Public Attention: McClellan Hearings

In addition to developing legislation and bringing civil actions, Kennedy sought to focus public attention on organized crime. He spoke widely and freely gave interviews. He also worked closely with Senator McClellan in presenting a comprehensive set of hearings, beginning on September 25, 1963, on the nationwide structure of the Mafia or La Cosa Nostra, as it was known by its members. The hearings would feature the testimony of Joseph Valachi, the first member of La Cosa Nostra ever to testify publicly about the nature of the organization. Senator McClellan opened with a statement, in which he observed:

Today, we begin a new series of hearings [into organized or syndicated crime]....We will...examine...[its] existence,...its growth, how it operates, its impact on society, the toll it takes from our economy and just how effective or deficient [are] existing laws....

.....

The existence of such a criminal organization as Cosa Nostra is frightening. [It]...attempts to be a form of government unto itself....Murder [in its behalf] has often been ordered for a variety of reasons; a grab for power, the code of vengeance, gangland rivalries, infidelity to the organization or even for suspicions of derelictions....¹⁸⁹

The lead-off witness before the Committee was Attorney General Kennedy, himself. He commented on the structure of organized crime:¹⁹⁰

Because of intelligence gathered from Joseph Valachi and from informants--we know that Cosa Nostra is run by a commission [of nine to 12 men], and that the leaders of Cosa Nostra in most cities are responsible to the commission.

He described his organized crime program:¹⁹¹

Syndicate leaders and their associates have been identified and all are now under intensive investigation. A number of major racketeering figures have been convicted and many more cases are in the indictment or investigative stage.

.....

It is an organization. It is [the] Mafia. It is the Cosa Nostra. There are other names for it, but it all refers to the same organization.¹⁹²

He noted the difficulty in solving organized crime murders:

[T]he members of the commission, the top members, or even their chief lieutenants, have insulated themselves from the crime itself; if they want to have somebody knocked off, for instance, the top man will speak to somebody who will speak to somebody else who will speak to somebody else and order it. The

man who actually does the gun work...does not know who ordered it. To trace that back is virtually impossible.¹⁹³

Finally, Kennedy discussed the tendency of organized crime figures to move out of gambling and narcotics into legitimate business and unions, but he added:

I don't want anybody to misunderstand the fact that they are also doing the same things that they were doing during the days of Al Capone. Because there have been large numbers of very brutal murders which have been committed by those in organized crime just over a period of the last two years. Certainly not a week goes by that somewhere in the United States an individual is not killed or murdered in some kind of gangland battle or a witness is not garroted and killed.¹⁹⁴

The Attorney General was followed by law enforcement officials from all over the country, who advised the committee on the structure of organized crime in their respective areas. In addition, the committee was able to identify from federal and local intelligence reports the organized crime families that dominated various areas and various illicit activities, including the identity of their bosses, underbosses, consiglieri, caporegime, and their members. To the general intelligence presented by the law enforcement witnesses, Joseph Valachi added his personal knowledge of the history of organized crime in New York, where he had for years been a member of the Vito Genovese family.

5. Results: Statistical

The overall statistics of the Kennedy organized crime program in the Department of Justice were impressive.¹⁹⁵ In 1960, Organized Crime and Racketeering Section attorneys spent 61 days in court, 660 days in the field and 100 days before a grand jury; in 1963, they spent 1,081 days in court, 6,177 days in the field and 1,353 days before a grand

jury. The number of indicted individuals rose from 121 in 1961 to 615 in 1963; convictions, which always lag two to three years behind indictments, rose from 73 in 1961 to 288 in 1963. In all, 116 individuals who, according to subsequent investigations, were members of La Cosa Nostra, were included in the Department's racketeering indictments between 1960 and 1964, including such top syndicate figures as Anthony Accardo (tax evasion) in Chicago, Anthony Provenzano (extortion) in New Jersey, Alfred Sica (tax evasion) in California, Joseph Valachi (narcotics) in New York, Angelo Bruno (extortion) in Philadelphia, Carlos Marcello (conspiracy) in New Orleans, Carmine Lombardozzi (tax evasion) in New York, Anthony Giacalone (tax evasion) in Detroit and Joseph Glimco (unlawful payments) in Chicago. In addition, Mickey Cohen, a West Coast underworld figure, though not a member of La Cosa Nostra, was convicted of tax evasion. For the first time on a sustained, comprehensive basis, the syndicate was feeling the pressure, not just the public exposure of a Congressional investigation, but prosecution for serious crime. Robert M. Morgenthau, the United States Attorney for Manhattan, who was later elected district attorney, told of the impact of the Kennedy organized crime program:

It really wasn't until Robert F. Kennedy became Attorney General that an organized program was developed.... It's kind of like a good football team. You know, they can lose a few of the top players, and they can fill those spots with substitutes, but when it reaches a point where there are no substitutes available...I think...that's¹⁹⁶ what...happened...[to] organized crime.

That is what was happening at least until November 22, 1963.

6. Impact of the President's Assassination

After the President's assassination, the steam went out of the

organized crime program. Whatever was intended, the mob proved to be the principal beneficiary of Dallas. It started with little things. No longer did the FBI send a car to pick up the Attorney General when he travelled around the country.¹⁹⁷ The whole-hearted enthusiasm at IRS soon waned. The program ceased to function as it had. The statistics tell the story.¹⁹⁸ By 1966, the number of attorneys in the Organized Crime and Racketeering Section was down to 48; days in court fell to 606; days in the field to 3,480; days before the grand jury to 373. IRS participation was down to 74,938 man-days in 1966; by 1968, it was only 42,120. The pressure was off the syndicate.

For a time, however, the Kennedy crime program was carried by its own momentum. The McClellan committee, in July and August 1964, resumed hearings that had been suspended in October 1963. The committee's principal interest was syndicate activity in narcotics. The McClellan committee filed a three-part final report on March 4, 1965, which set out its basic findings about the national syndicate, in particular what the committee had learned from the testimony of Joseph Valachi.¹⁹⁹ The Annual Report of the Attorney General, submitted by Kennedy for 1963, had termed Valachi's testimony a "significant" intelligence "breakthrough," which enabled the Department "to prove conclusively" the existence of the "nationwide" organization known as "Cosa Nostra."²⁰⁰ The McClellan committee agreed that Valachi's testimony was trustworthy, and it, too, credited his description of the character of the organization of the underworld. Nevertheless, not all writers then or later agreed either with the Department of Justice or the McClellan committee evaluation of Valachi's testimony. Ralph de Toledano²⁰¹ reflected the late Director's skepticism toward Valachi, noting that the

FBI had "long known" of the organization and that not a single conviction had been based on Valachi's testimony.²⁰² Arthur Schlesinger apparently reflected his own feelings in 1965 when he observed that "[c]riminologists...were skeptical of the sanction the Department [of Justice] gave to the notion of a centrally organized and all-pervasive Mafia..."²⁰³ Schlesinger's own feelings were made explicit in 1978, when he observed that he found the skeptics' position "more persuasive."²⁰⁴ The judgment of knowledgeable professionals outside the government, however, was aptly expressed in 1969 by Ralph Salerno, a highly respected authority on organized crime.

The Valachi confessions are ranked next to Apalachin as the greatest single [intelligence] blow ever delivered to organized crime in the United States. This evaluation came from the lips of those most affected by it: members of the criminal network whose comments were overheard through bug and wiretap.

Many of the incidents Valachi described had... been known to the police, but...[Valachi] was able to fill in the gaps and connect one incident to another.... [Valachi]...drew a schematic picture of the organization, described it and told how it worked. The police, for example, had long realized that certain underworld figures were often seen with each other, but they did not realize that these were formal, not casual, associations, relationships of rank in a system governed by rules and regulations. The pattern that Valachi furnished made it possible for police intelligence men to begin to see the dimensions of syndicated crime and stop looking at it as a series of unconnected cases.²⁰⁵

Valachi had agreed to testify against other members of organized crime only after Genovese had marked him for death, thinking he was an informer. Valachi had his revenge. One of the most protected prisoners in the history of the federal prison system, he died of natural causes at LaTuna Federal Penitentiary, El Paso, Texas, on April 3, 1971.

7. Jimmy Hoffa

James R. Hoffa's stewardship of the Teamster's Union was also a subject of concerted interest for the McClellan committee when Robert F. Kennedy was its Chief Counsel; it continued to be after Kennedy resigned. When Kennedy became Attorney General, Hoffa was high on the agenda of the Department of Justice's efforts against corruption in the labor movement. In 1958, Attorney General William Roberts had set up a Special Group on Organized Crime, headed by Milton Wessel, to look into the Apalachin meeting. Attorney General Kennedy followed up by assigning a special group in the Labor Rights Unit of the Organized Crime and Racketeering Section to the Teamsters Union. Headed by Walter Sheridan, a former investigator for the McClellan committee, the special group was charged by the Attorney General "to take a fresh look at the findings of the McClellan committee and to probe generally into the field of racketeering, particularly into the activities of Hoffa and the Teamsters."²⁰⁶ The group came to be known as the "Get Hoffa Squad." Hoffa himself charged on November 15, 1961 that 29 special grand juries and one-half of the Justice Department's lawyers and FBI agents were out to get him; in fact, there were only 13 grand juries, 16 attorneys and approximately 30 FBI agents, and their attention was not focused solely on Hoffa, though it was their primary assignment.²⁰⁷ The effort did show some impressive results. During Kennedy's tenure as Attorney General, 201 Teamster officials and their associates were indicted, and 126 of them were convicted.²⁰⁸ Nevertheless, the most important prosecutions were the three brought against Hoffa himself.

a. The Taft-Hartley Act Prosecution

On May 18, 1962, Hoffa was indicted under the Taft-Hartley Act in

Nashville, Tennessee for receiving \$1,000,000 in illegal payments through a trucking company, the Test Fleet Corporation, which had been set up in his wife's name.²⁰⁹ His trial ended with a hung jury on December 23, 1962, but the judge, William E. Miller, ordered the convening of a grand jury to investigate charges of jury tampering. The judge commented:

The right of a defendant in a criminal case to be tried by a jury of his peers is one of the most sacred of our constitutional guarantees. The system of trial by jury, however, becomes nothing more than a mockery if unscrupulous persons are allowed to subvert it by improper and unlawful means. I do not intend that such shameful acts to corrupt our jury system shall go unnoticed by this court.²¹⁰

The grand jury investigation resulted in Hoffa and five others being indicted in Nashville on May 9, 1963. Hoffa and seven others were also indicted in Chicago on June 4, 1963 for obtaining by fraud \$20,000,000 in loans from the Central States Pension Fund, from which, it was charged, they had diverted \$1,000,000 for their own benefit.²¹¹ But first action had to be taken against one of Hoffa's lawyers.

b. Actions Against Hoffa's Lawyer

On November 7, 1963, Sheridan learned that an effort was being made by a Hoffa attorney, Z. T. "Tommy" Osborn, Jr., to tamper with the jury in the jury tampering trial. Osborn²¹² was a prominent Tennessee lawyer. He was the leading candidate for president of the Nashville Bar Association, and he had successfully argued Baker v. Carr,²¹³ the Tennessee reapportionment case, before the U. S., Supreme Court. With the trial judge's permission, key conversations between Osborn and Robert Vick, a man whose assistance Osborn had sought in the bribery attempt, were recorded. Osborn was confronted with the allegation by

the court; he denied it, until the tape was presented to him. He then claimed he had been entrapped. On November 21, the court disbarred Osborn, terming his actions "a callous and shameful disregard of duty...."²¹⁴ Eventually, Osborn was indicted and tried for endeavoring to obstruct justice. He was found guilty and sentenced to three-and-one-half years in prison, a conviction that was upheld by the Supreme Court in 1966.²¹⁵ Subsequently, it learned that Osborn's payment, received in January 1964, was \$127,500 of a diverted Teamsters pension fund loan, though it was not enough to repair the damage to a promising career; Osborn was paroled in April 1969, apparently after congressional intervention; on February 2, 1970, he committed suicide.²¹⁶

c. The Jury Tampering Prosecution

Hoffa's jury tampering trial, which had been shifted to Chattanooga, got underway on January 20, 1964, before Judge Frank W., Wilson. Six weeks later it ground to an end. Hoffa was found guilty, principally on the basis of the testimony of Edward Grady Partin, the Secretary-Treasurer of Teamster Local 5 in Baton Rouge, La., who had been part of Hoffa's retinue during the Nashville trial, but who had decided to cooperate with the government in September 1962. Partin at that time told Justice Department lawyers about a June 1962 conversation he had had with Hoffa in Washington in which Hoffa had talked about assassinating Robert Kennedy. "He's got to go," Hoffa had said, and an FBI lie detector test indicated he was telling the truth.²¹⁷ Partin agreed to tell Sheridan what he knew about Hoffa's effort to influence the jury in the Nashville prosecution, and his incriminating testimony survived five days of grueling cross-examination. It was on the basis

of Partin's account that the jury verdict ultimately rested. Judge Wilson sentenced Hoffa to eight years in prison on March 12, 1964 saying:

Mr. Hoffa....you stand here convicted of having tampered, really, with the very soul of this nation...[w]ithout a fair, proper and lawful administration of justice, nothing else would be possible in this country--the administration of labor unions, the administration of business, the carrying on of recreation, the administration of health services, everything we call civilization depends ultimately upon the proper administration of justice itself.²¹⁸

The Supreme Court upheld the conviction in 1966.²¹⁹

d. The Fraud Prosecution

Hoffa's Chicago trial for fraud in connection with the pension funds got underway on April 27, 1964. After 13 weeks it ended with a five and one-half hour summation to the jury by Assistant U.S. Attorney William Bittman, in which the flow of funds was traced through intricate and devious channels. Bittman was followed by a rebuttal by Charles Bellows, a prominent defense counsel in Chicago, but Judge Richard Austin became angered when he learned that Bellows had used charts based on exhibits not in evidence and he instructed the jury to disregard them.²²⁰ Hoffa was found guilty after the jury deliberated 17½ hours, and Judge Austin sentenced him, on August 17, 1964, to serve five years in addition to his jury tampering term. Eight days later Robert Kennedy, having resigned as Attorney General, announced his candidacy for the U. S. Senate from New York; he was elected in November.

Hoffa did not go to jail until March 1967, when all his appeals had become final. It had been a contest of wills of two determined, bitterly opposed men, a titanic struggle, unprecedented in history.

Hoffa had won the first rounds, but Kennedy had won the last. Hoffa would contend he had been framed, but juries decided otherwise. There was more to Hoffa's battle to stay out of prison than showed in the court records. The Chicago underworld had a plan to fix Judge Miller in Nashville, but no one had the courage to offer the bribe;²²¹ there was also a threat against the brother of Supreme Court Justice William J. Brennan in connection with Hoffa's appeal, which was ignored;²²² and there were various other desperate efforts;²²³ allegations of government wiretapping and an offer of \$100,000 to J. Edgar Hoover, if he would testify they were true;²²⁴ accusations (later discredited) that the judge and jury in Chattanooga had been supplied prostitutes by U. S. Marshals.²²⁵ A U. S. Senator who had enjoyed Teamster support, Edward Long of Missouri (he had once received \$100,000 in questionable fees from one of Hoffa's attorneys),²²⁶ was behind an effort to undercut the organized crime program and embarrass the Attorney General.²²⁷ And Congressman Roland Libonati of Chicago demanded an investigation by the House Judiciary Committee into the Hoffa prosecutions in a resolution that passed on September 22, 1964, but was not carried forward after Libonati did not run for re-election.²²⁸ David Brinkley of NBC termed the Libonati demand "pious mouthing," and he described "the spectacle" of a congressional committee "dancing to Jimmy Hoffa's tune."²²⁹ Finally, agents of Carlos Marcello--a friend, Pete Rotolla, and a lawyer, G. Wray Gill--sought to help Hoffa by securing exculpatory tape recordings, and a \$1,000,000 fund was allegedly made available to Marcello by union and underworld supporters of Hoffa to be used to free the Teamster leader.²³⁰ All of the efforts to subvert justice failed.

e. Hoffa's Murder

Hoffa received an Executive Grant of Clemency from President

Richard M. Nixon on December 23, 1971, without the customary consultation with the judge who sentenced him, and even though the U.S. Parole Board on three occasions in the preceding two years had considered and unanimously rejected his requests for release.²³¹ The Parole Board's decisions had, in part, been based on advice from the Justice Department that Hoffa was tied to organized crime. There were also ugly rumors about the clemency grant. The New York Times termed it a "pivotal element in the strong love affair between the [Nixon] administration and the ... union," implying it was related to the 1972 election.²³² The terms of his release, however, forbade Hoffa from engaging in direct or indirect management of a labor organization. Much as the union wanted Hoffa out of prison, it seemed, the mob did not want him in a position of union leadership. The parole restriction had been bought, according to one rumor,²³³ with a \$500,000 mob contribution to the President's re-election campaign, engineered by Anthony Provenzano, a Teamster leader in New Jersey and a caporegima in the Genovese family of La Cosa Nostra.²³⁴ Once out, Hoffa filed suit to declare the restriction null and void, and he began to make a move to regain the presidency of the union. He was sounding like a reformer, and one promise he made, if elected in 1976, ironically, was to end the Teamster's relations with the mob. That promise went too far. It would lead to his murder.²³⁵

At about 1:15 p.m. on July 30, 1975, Hoffa left his Detroit home on Robson Drive to go to the Red Fox Restaurant in Bloomfield, a suburb of Detroit to meet with Anthony Provenzano and Anthony Giacalone, who

was a caporegima in the Detroit La Cosa Nostra family.²³⁶ Hoffa arrived at the Red Fox about 2:00 p.m. Neither Provenzano nor Giacolone were there; they would both subsequently establish their whereabouts elsewhere by airtight alibis. Hoffa was evidently picked up between 2:45 and 2:50 by Charles O'Brien, the son of Hoffa's one-time girlfriend, Sylvia Pigano. According to one account,²³⁷ at least two other men were in the car, one of whom was Salvatore Briguglio, who served as business agent for Teamster Local 560, Provenzano's home local. Hoffa was probably knocked unconscious, which would explain why his hair particles and traces of his blood were found in the back seat of the maroon Mercury that O'Brien had borrowed from Giacolone's son, Joey.²³⁸ O'Brien had close ties to Giacolone, whom he called Uncle Tony. Indeed, O'Brien's mother, Sylvia, who died in 1970, had also been Giacolone's girlfriend; in addition, she had been a close friend of Hoffa's wife, Josephine, and it was rumored that the two women were double-dating Giacolone and Anthony Cimini, another Mafia leader in the Detroit area, in the early 1960s. According to that story, Hoffa had only been able to break up the affair by appealing directly to Joseph Zerilli, the La Cosa Nostra boss in Detroit.²³⁹ It has been suggested, on the other hand, that the hit men were not with O'Brien in the car.²⁴⁰ Instead, Hoffa was driven to O'Brien's temporary residence four minutes from the Red Fox. Waiting calmly at the house were Salvatore and Gabriel Briguglio and Thomas Andretta, who were flown in on a private plane.

There were also conflicting reports as to where Hoffa was actually killed. It may have been at the house where O'Brien was staying, but apparently unbeknownst to the people who lived there.²⁴¹ In addition, there were contradictions as to how Hoffa's body was disposed of. One

informant's story was that it was stuffed into a 55-gallon drum and shipped to a New Jersey dump.²⁴² It was also reported that the facilities (shredder, compactor, and incinerator) of Central Sanitation Services, in Hamtramck, Mich. were used.²⁴³ According to other FBI informants, Central Sanitation Services, which was owned by Rafael Quasarano and Peter Vitale, two Detroit La Cosa Nostra members, had been used to dispose of at least 10 other bodies of Mafia murder victims.²⁴⁴ Finally, there was disagreement over how much O'Brien knew or what his role was. O'Brien himself said: "I never did anything to hurt Jimmy Hoffa."²⁴⁵ What there was no disagreement about was that Hoffa was dead, and the mob was responsible for his death.

The murder, moreover, was ultimately traced to Russell Bufalino of Pittston, Pa., a Mafia leader for a large area of Pennsylvania and an Apalachin attendee in 1957.²⁴⁶ In addition to Bufalino, the finger pointed at Joseph Zerilli, as neither Provenzano nor Giacalone had the stature to order a hit on Hoffa in Zerilli's territory. Bufalino's involvement could be inferred from a number of factors.²⁴⁷ He had, for one thing, long been associated with both Provenzano and Giacalone; he had also been in telephone contact with Quasarano and Vitale in the months that immediately preceded Hoffa's disappearance; and he was close to his cousin, William Bufalino of Detroit, a former Hoffa attorney, who showed up to represent all of the suspects and their alibi witnesses in a grand jury probe of Hoffa's disappearance. Finally, Frank Sheeran, the president of Teamster Local 326 in Delaware, who shepherded the alibi witnesses before the grand jury, was involved with Bufalino in a "labor leasing" scheme to circumvent wage provisions of the National Master Freight Agreement, which would have been in jeopardy had Hoffa

returned to power.

f. Hoffa's Murder: The Motive

Hoffa's disappearance and death, however, needs to be placed in a broader perspective than concern that he might put an end to a labor - leasing scheme. Before his death, Hoffa represented the mob's access to an important source of wealth: The Teamsters Union Central States Pension Fund. As an FBI electronic surveillance²⁴⁸ conducted between 1961 and 1964 on the Home Juice Company of Detroit showed (Home Juice, a soft drink distributor, was owned by Anthony and Vito Giacalone), Hoffa was the mob's "connection" to the Fund. According to Vito Giacalone, Mike Polizzi, a Detroit mob figure, had remarked that "he would have never gotten his loan of \$630,000 without Jimmy." The loan had been obtained "through Sylvia O'Brien." Mike also said that "Jimmy...had to put his stamp on it in order to [force] these guys [the fund trustees] to give it to him." Several factors contributed to Hoffa's influence over the fund, a joint employer-union trusteeship for the employees, which was established in January 1955.²⁴⁹ The union had de facto control over the investment decisions made, as the employers did not want to antagonize Hoffa. In addition, the decision was made to invest the fund's assets directly and not to give its management over to professionals. Hoffa, himself, therefore, became the controlling figure in the making of loans.

Hoffa's chief adviser on pension loans was Allen Dorfman, the stepson of Paul Dorfman, through whom Hoffa had established and maintained his Chicago mob connections. Paul Dorfman was one of the five or six closest associates of Anthony Accardo, one of Al Capone's successors in Chicago. When Hoffa went to prison in 1967, he told Fitzsimmons that Allen "speaks for me on all pension fund questions."²⁵⁰

Hoffa Added, "He's the guy in charge while I'm gone."²⁵¹ Dorfman, like Hoffa, has been successful in defeating a number of criminal prosecutions. He was found not guilty in Hoffa's Chattanooga jury tampering prosecution in 1964; he was also found not guilty in 1974 of embezzlement and mail fraud in connection with a fund loan of \$1,400,000. Charged with him in the 1974 prosecution were Anthony Spilotro and Felix Alderisio, both Chicago mob figures, and Irwin Weiner, a Chicago bail bondsman long suspected of organized crime ties. On September 27, 1974, a witness in the embezzlement and mail fraud case, Daniel Seifert, was shotgunned to death in front of his wife and two-year-old son.²⁵² Dorfman's one guilty verdict came in 1972--for conspiracy to take a \$55,000 kickback for arranging a \$1,500,000 loan. The cross-examination by the prosecutor at Dorfman's trial established how little independent judgment the funds trustees exercised over loans or over Dorfman, then an employee of the Fund. Dorfman was able to extract the \$55,000 kickback by arguing that the fund had already lost so much money on outstanding \$15,000,000 loans to the borrower who paid the kickback, George Horvath, that a new one should cost Horvath the \$55,000.²⁵³

Although the Horvath kickback was Dorfman's only criminal conviction, there were organized crime overtones to pension fund loans he administered, particularly some in Las Vegas. Most pension funds tend to have a conservative policy, investing primarily in government bonds and having less than two per cent of their assets in real estate.²⁵⁴ Yet by 1963, the Central States Fund, with accumulated assets of \$213 million, had 63 per cent of its investments in real estate and only three per cent in government bonds, with the rest held in bank accounts and corporate bonds. Fund loans²⁵⁵ included in 1959

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and 1960 a series made to Morris "Moe" Dalitz, a gambler and former bootlegger from Cleveland, whom Hoffa had known in Detroit and through whom a payoff had been allegedly arranged to settle a Teamster laundry strike in 1949.²⁵⁶ The Dalitz loans were obtained to build Sunrise Hospital in Las Vegas, as well as to finance the Stardust Hotel and Country Club, the Fremont Hotel and the Desert Inn, all in Las Vegas. According to FBI evidence, the Stardust, Fremont and Desert Inn casinos were taken to the tune of \$100,000-a-month in the early 1960s by a skim operation for the benefit of organized crime figures, including Sam Giancana of Chicago, John Scalish of Cleveland and Meyer Lansky of Miami.²⁵⁷ Pension records showed that from 1965 to 1972, \$20,400,000 was lent to Caesar's Palace, the ostensible owner of which was Jay Sarno,²⁵⁸ but who was really, according to the FBI, a front for organized crime interests in the Midwest and New England.²⁵⁹

Skimming was suspected at Caesar's Palace but not documented by the FBI. In 1971, on Dorfman's recommendation, fund assets were also put into the Circus Circus Hotel and Casino.²⁶⁰ Loans of \$15,500,000 and \$2,000,000 were approved, the total figure finally reaching \$26,000,000. Jay Sarno was again the paper owner, but the real party in interest, according to the FBI, was Anthony Spilotro, described by the Illinois Crime Investigation Commission as "one of the most dangerous gang errorists in the Chicago area."²⁶¹ The FBI was also suspected skimming at the Circus Circus Casino. In 1974, the fund also approved a \$62,700,000 loan to the Argent Corporation, owned by Allen R. Glick, to purchase the Stardust and the Fremont.²⁶² Glick, in turn, put Frank Rosenthal in charge of his gambling operations. Rosenthal, who was an associate of Spilotro and who was convicted in the 1960s of bribing a college basketball player, proceeded to organize a sophisticated scheme

to defraud the casinos and the State of Nevada of at least \$20 million in 18 months, the largest known skim operation up until that time.²⁶³

It has been estimated that if all of the organized crime-connected loans since 1957 were added up, they would amount to \$600,000,000, out of approximately \$1.2 billion that had been loaned by the Central States Pension Fund.²⁶⁴ At least \$100,000,000 has been lost in undercharged interest and another \$285,000,000 has been lost in defaults.²⁶⁵ Indeed, the mismanagement of the fund was so bad that in 1974, it ceased making loans, and in 1979, under Labor Department pressure, the trustees resigned and Central States Pension Fund was put into the hands of Equitable Life Assurance Society and Victor Palmiers & Company.²⁶⁶ The percentages of real estate loans dramatically shifted from a top-heavy 70 per cent to about 35 per cent by 1979. The cash return went up to more than nine per cent from roughly four per cent.

If Hoffa's fate is put in the larger context of control over the fund, then Bufalino would not have stood alone as the responsible party. It would have been a matter for the Organized Crime Commission to pass on. Arguably, the top underworld leaders had too much at stake to permit Hoffa to return to the presidency of the Teamsters on a reform ticket. It would have been, as Hoffa himself said of Robert Kennedy, "He's got to go."

8. The Electronic Surveillance Program

The investigations that followed the criminal conclave at Apalachin on November 14, 1957, served to point out how little was, in fact, known by law enforcement about organized crime in the United States. As Robert Kennedy recalled, "The FBI didn't know anything, really, about [the Apalachin attendees]...that was rather a shock to me."²⁶⁷ Apalachin, however, marked the beginning of a broad effort to catch up.

Today, the single most reliable source of organized crime information is the transcripts and summaries of conversations of underworld figures that were obtained in the course of a comprehensive program of electronic surveillance that was conducted by the FBI between 1959 and 1965. As J. Edgar Hoover himself acknowledged in 1967, the Bureau would never have learned what it did "about the Cosa Nostra without electronic surveillance."²⁶⁸ The FBI intelligence system was termed "significant" by the President's Commission on Law Enforcement and Administration of Justice, which, in its report in 1967, noted that only the Bureau had been able "to document fully the national scope" of organized crime.²⁶⁹ By 1959, the FBI in Chicago had installed the first of a series of electronic devices that would reveal so much about the underworld in the years to come.

Two special agents in Chicago, Ralph Hill and William Roemer, were especially imaginative and enterprising.²⁷⁰ They had learned that mob figures regularly met in a second-floor tailor shop on North Michigan Avenue owned by Gus Alex, a Chicago mob figure. After getting clearance from Washington and after a series of frustrating Sunday morning failures, they gained entry to the tailor shop. James Bond exploits notwithstanding, electronic surveillance equipment of the day was relatively unsophisticated: the microphone, installed behind a radiator, was of World War II vintage, as big as a Coke bottle. The technician who installed it was competent, but clumsy, and while stringing wires in a crawl space between the tailor shop and the restaurant below, he fell and almost collapsed the ceiling. But, in the end, the equipment worked:

[The agents] heard from the hoods own lips who had the power and how it was distributed, who put the fix in and where it was put, what decisions

were made and who was affected, who had the solutions. They heard stories, anecdotes, family problems, even a history of mob decisions as told with relish by Murray Humphreys [the mob's senior fixer].... [It] was to be the biggest, most reliable source of information on the Chicago syndicate anywhere at any time.²⁷¹

The surveillance program was accelerated after Attorney General Kennedy, in July 1961, criticized the quality of FBI intelligence.²⁷² Devices were installed elsewhere in Chicago and throughout the country as the effort was directed at the major organized crime figures: Stefano Magaddino,²⁷³ the chairman of the commission and family boss in Buffalo, at Memorial Chapel, a funeral home he owned in Niagara Falls; Sam Giancana,²⁷⁴ a commission member and family boss in Chicago, at the Armory Lounge in Forest Park, Ill.; Angelo Bruno,²⁷⁵ a commission member and family boss in Philadelphia, at his Penn Jersey Vending Company in Philadelphia; and Raymond Patriarca,²⁷⁶ a commission member and family boss in New England, at National Cigarette Service, a vending machine company he owned in Providence, R.I. Lesser figures, but nonetheless important members of the organization, who were put under surveillance included: Sam DeCavalcante,²⁷⁷ a family boss in New Jersey, at the Kenworth Corporation, a plumbing company he operated in Kenilworth, N.J.; Angelo DeCarlo,²⁷⁸ a caporegima in the Genovese family, at The Barn, a restaurant in Mountainside, N.J.; and Michael Clemente,²⁷⁹ a member of the Genovese family, at the Prisco Travel Bureau in New York City. Some of the surveillance was aimed not so much at individual criminals as at areas of operation. For example, certain Las Vegas casinos, including the Stardust, Fremont and Desert Inn, were bugged,²⁸⁰ and a device was placed in the office of the First Ward Democratic organization in Chicago, the base of operations of the West Side Bloc,

a group of politicians who had traditional ties to the Chicago syndicate.²⁸¹ In all, the Bureau had in operation at any given time from 75 to 100 "bugs" planted in most metropolitan areas, and many were kept in for substantial periods. The Magaddino bug²⁸² was "on" for more than four years (April 1961 to July 1965), while Patriarca's bug²⁸³ was being overheard for over three years (March 1962 to July 1965). On August 24, 1964, Courtney Evans, the Associate FBI Director for the Special Investigative Division, could say with confidence to Alan Belmont, the Associate Director for the General Investigative Division:

We are probably in the unique position of better understanding Giancana's reaction [to an incident involving Joe Bonanno, a commission member in disfavor with the commissioners] than [are other family bosses].... Our recent expansion in development of intelligence on the existence and activity of La Cosa Nostra [into the smaller states]...tends to confirm that there is no adequate substitute for [electronic surveillance] ...for the development of accurate information on this underworld phenomenon.²⁸⁴

Not everyone who reviewed the logs, administrative memoranda, and transcripts came away from them with Evans' conclusion. The principal academic debunker of the FBI's position was Professor Dwight C. Smith, who wrote:

[H]ow reliable was the evidence [of a national syndicate]? When examined...[the] revelations were often ambiguous...Boasting lies and manipulative statements for effect all stemmed from the same base as did statements of the facts and truth. Of the interpretation of them, summaries of summaries of summaries, obviously depending on third party interceptions, had to be based²⁸⁵ on what the primary listener expected to hear.

For Smith, as well as others,²⁸⁶ the Bureau had not learned the truth, but had read its own ill-conceived conspiracy notions into the

materials. Smith's theories, however, moved Jonathan Kwitny of the Wall Street Journal's a respected expert on organized crime, to write:

It is difficult to understand how a reasonable person could read these transcripts--or similar transcripts from bugs on the offices of other Mafia leaders--and fail to conclude that there is across the United States a tight-knit criminal organization with strict regulation of membership and conduct; that it exercises ultimate governing power over its members, superior to the power of country or blood family; and that its sole purpose is making money through illegal activity.... [The] conversations were recorded while Mario Puzo was still an underpaid magazine editor. Many of the conversations were recorded before Joe Valachi surfaced. This is not life imitating art, as Professor Smith and his sociologist friends would have us believe. This is the real thing.²⁸⁷

He also observed:

Surely grown men would not sit around reminiscing about how they had participated together in various events unless those events really happened. They might exaggerate, but not hallucinate.²⁸⁸

I. The Origins of the National Syndicate

1. The Term Mafia

While there is a wealth of accurate information in the public domain on La Cosa Nostra as of the early 1960s, there is no corresponding accurate source for the origin and early development of the national syndicate. The term "mafia" itself has been traced back to the 13th century, and there are various theories about its origin. A popular one is that it originated in Sicily in 1283 in a rebellion, called Sicilian Vespers, against Charles I and the French occupation army.²⁸⁹ The signal for the uprising was said to have been the ringing of church bells for evening prayers, or Vespers, and the motto in that uprising was "Morte alla Francais Italia anela" ("Death to the French is Italy's cry"), from which "Mafia" was derived. Joseph Bonanno, a

prominent organized crime figure, told Gay Talese,²⁹⁰ his biographer, that he had been taught a variation of the Vespers story, in which the mother of a Sicilian girl who had been dishonored by French soldiers, ran through the streets crying, "Ma fia, ma fia (My daughter, my daughter)." Far from establishing the authenticity of the Vespers theory, however, Bonanno's undoubtedly apocryphal account was a good illustration of why there is need to be skeptical of many myths about organized crime. Several points, for example, undermine the authenticity of the Vespers legend.²⁹¹ Not a word of it can be found in contemporaneous literature, nor did "Mafia" appear in dictionaries of the period.²⁹² But, most telling, it is doubtful that the population of Sicily in 1282 would have thought of itself as Italian.²⁹³

Although an author²⁹⁴ had found the word in use as early as 1658, "Mafia" did not appear in a dictionary until 1868, when it was defined as a neologism meaning "any sign of bravado."²⁹⁵ Another dictionary in 1876 defined it as a word of Piedmontese origin, having the meaning somewhat of "gang."²⁹⁶ Vizzini's La Mafia, published in 1880, attributed the word--and the founding of the organization it described--to Guiseppi Mazzini, a 19th century Italian Republican, a shaper of the nationalism and liberalism of his day, friend of William Lloyd Garrison, the American abolitionist, and a correspondent of Abraham Lincoln.²⁹⁷ According to Vizzini, during a revolt in Sicily in 1860 against the Bourbons, Mazzini coined the term as a name for a secret society he established from the initials of its motto: "Mazzini autorizza furti, incendi, avvelenamenti (Mazzini authorizes thefts, arson and poisonings)." The facts of Mazzini's life have to be determined with caution, since his enemies--including the French secret police--spread vicious stories about him. It appears certain, however,

that he formed more than one secret society during Italy's revolutionary period. Their codes of conduct parallel one another, as well as those of successor societies, the Mafia and La Cosa Nostra. Assassination was not precluded. In fact, it was encouraged as a means of achieving political ends. Mazzini himself, though he denied it, was reportedly involved in an attempted assassination of King Charles Albert of Piedmont, having supplied a dagger and travel documents to the would-be assassin, Antonio Gallinger. Corsican who backed out at the last minute.²⁹⁸ There is also interesting corroboration for the Vizzini version: in 1890, a reputed Mafioso, who had been arrested in New Orleans, told a police undercover agent that the founder of the Mafia was "a great brigand named Guiseppe Mazzini."²⁹⁹ On the other hand, substantial reasons exist to discount the Mazzini-as-Mafia-founder thesis, along with most of the others.³⁰⁰ For one, Mazzini was considered a liberal, while the Mafia has always been essentially conservative.³⁰¹ About the safest position, however, is that of Francis Crawford in his The Rulers of the South: the word is "of doubtful origin."³⁰² Whatever the genesis of the name--or the organization it described--the Mafia attracted considerable attention in the United States in the latter part of the 19th century, particularly in New Orleans, where on October 15, 1890, the assassination of a high public official was an early milestone in the development of public awareness of the Mafia as part of organized crime in America.³⁰³

2. The Sicilian Roots

In September 1874, The London Times reported that refugees from Sicily were pouring into Perugia, a university town in central Italy, in flight from the atrocities of a new Camorra, a secret society "called the Sicilian Maffia [sic]," which had a code of silence, and which "had

its own set of laws,...[that] replaces legal authority."³⁰⁴ On November 2, 1874, The London Times reported that the government had, in its view, crushed the new organization, which called itself the "Honorable Society." Apparently, these were the first reports in an English language newspaper of the existence of the Mafia. Three years later, a band of Sicilian outlaws, also going by the name Mafia, drew attention to itself by the kidnapping of an English banker, John Forester Rose.³⁰⁵ The head of the group was Antonio Leone: his second in command was Guiseppo Esposito. When a ransom note sent Rose's wife was not followed by immediate payment, another was sent, containing Rose's shriveled ear. The ransom was paid, but an outraged British government, then headed by Benjamin Disraeli, gave the Italian government an ultimatum: unless Leone and his band were punished, a British expeditionary force would be dispatched to do the job itself. Eventually, an Italian army brigade cornered Leone and his men on a hill outside Palermo. After a pitched battle, Leone, Esposito and a handful of followers were captured. Leone was taken to Rome, where he was tried and sentenced to life imprisonment.³⁰⁶ Esposito, however, escaped, apparently by bribing a guard. He remained at large in Sicily for a year (he was captured and escaped a second time), then fled to New York with six henchmen in November 1878.

Largely based on contemporary newspaper records and other documents, one of the best accounts of Esposito's career from that point was written by David L. Chandler, a Pulitzer Prize-winning journalist, who suggested that Esposito's stay in New York was brief for two reasons:³⁰⁷ the reform movement that had driven the Tweed Ring out of City Hall was still in effect; and there was no place for Italian criminals since organized crime in New York at the time was dominated by

the Irish and Jews. Esposito and his followers, therefore, had a limited choice: they could follow the example of Paul and James Vaccarelli, who changed their name to Kelly and associated with an Irish gang called the Whyos. Paul Kelly became the leader of the Five Points gang, which numbered among its younger members John Torrio, Alphonse Capone and Salvatore Lucania, and he later was a vice-president of the International Longshoremen's Association, AFL.³⁰⁸ Esposito must have decided, according to Chandler, that his future would be brighter in the more hospitable climate of New Orleans, where there was not only Mediterranean weather, but a substantial colony of Sicilian immigrants and a local Mafia organization.

Arriving in New Orleans in the spring of 1879, Esposito, calling himself "Joe Randazzo,"³⁰⁹ established a fruit and vegetable business, took Sarah Castagno as a new wife (he had left another--with five children--in Sicily),³¹⁰ and lived a prosperous life, dining at the best and most fashionable restaurants.³¹¹ He also eclipsed³¹² Joseph P. Macheca, a prominent, American-born leader of the Sicilian community in New Orleans, as well as the Mafia--but only temporarily. The Superintendent of Police in New Orleans in 1881 was Tom Boylan. Two of his top detectives were David and Mike Hennessey, who were cousins. When the Italian government learned from the jealous wife he had left behind in Sicily that Esposito was hiding in New Orleans, it hired two New York private detectives, James Mooney and Dan Boland, to go to New Orleans and bring Esposito back.³¹³ Chief Boylan, when contacted by the New York detectives, arranged to have the Hennesseys make the arrest, which was smoothly carried out on July 5, 1881 at 11 a.m. in front of the St. Louis Cathedral in the French Quarter. Esposito was spirited away by boat to New York, extradited to Italy,³¹⁴ and tried for

kidnapping and extortion. He was found guilty on six counts of murder, and he spent the rest of his life in prison. The arrest of a criminal of Esposito's stature made David Hennessey famous,³¹⁵ though it also led to the killing on July 16, 1881, of Tony Labruzzo, who the Mafia had apparently identified as the informer who made it possible for Hennessey to capture Esposito.³¹⁶ Labruzzo was not the only one affected by the decision of the Mafia to seek revenge. It was up to Macheca, who had been reinstated as the leader, to avenge Esposito, even though he had been in a power struggle with the Sicilian. Macheca had considerable influence in one wing of the Democratic party, which enabled him in August 1881 to force the city administration to reorganize the police department.³¹⁷ The Hennesseys were demoted, removed from the direct control of Chief Boylan and placed under Thomas Devereaux, who had been named Chief of Detectives. Dave Hennessey had aspired to be Chief of Detectives, and the bad feeling between him and Devereaux led to a gun battle on October 13, 1881, in which Mike Hennessey was wounded and Devereaux was killed. Tried for murder, the Hennesseys were acquitted on April 26, 1882, but they were dismissed from the force.³¹⁸

Political and other fortunes, however, have a way of turning up, as well as down. In 1888, New Orleans elected a "reform"³¹⁹ mayor, Joseph A. Shakespeare, though his election may have been no more than a desire for change--a decision by the voters to shift the balance of social and economic power in the community.³²⁰

Apparently, Shakespeare was a product of New Orleans' antebellum aristocracy, while his opposition, which included Macheca, consisted of pro-South, pro-white Democrats, who found their support in the

working class. Shakespeare had been Mayor once before, from 1880 to 1882, when there was a struggle over control of the patronage, graft, and vice that was thriving in the city. In fact, the Hennessey-Devereaux feud in 1881 was widely seen as part of that struggle. In any event, while Hennessey had not become Chief of Detectives in 1881, he was appointed Superintendent of Police by Mayor Shakespeare in 1888, an appointment that set the stage for his shocking assassination two years later.

3. The New Orleans Assassination

a. The Murder

On October 15, 1890, it was cold and dismal in New Orleans.³²¹ A fog, turning at times to rain, enveloped the city, and the unpaved streets of the French Quarter were topped by an inch of water and mud.³²² Chief Hennessey, 32, and a companion, Captain William O'Connor of the Boylan Detective Service, a private police agency that was run by the former police superintendent, were returning at 11 p.m. from a meeting of the Police Board at the old City Hall. Hennessey, whose life had been threatened, had taken to having someone walk with him. They had stopped for a short while in Hennessey's office in the Central Police Station at South Basin and Common Streets, and then proceeded toward home. When they reached Girod Street, Hennessey told O'Connor, "There's no need to come any further with me now, Bill. You go on your way."³²³ O'Connor then splashed across Girod Street and walked east toward the Mississippi River, while Hennessey travelled west toward the house he shared with his mother at 275 Girod Street, between Basin and Franklin Streets. He did not make it home; he was ambushed by assassins using sawed-off shotguns; he received six wounds, four of them superficial, one serious, one mortal.³²⁴ Bleeding and staggering,

Hennessey managed to draw his gun and return the fire. O'Connor, having heard the gunfire, reached Hennessey's side minutes after the shooting. "Who did this, Dave?" he asked. "Dagos," Hennessey replied.³²⁵

He was rushed to old Charity Hospital, where he was operated on by a special medical team. At about 1 a.m., he received the last rites of the Church from a Catholic priest. At about 9 a.m. on October 16, he died.

b. Its Aftermath: Trial and Lynching

Events then moved swiftly. A large number of immigrants from Italy and Sicily were indiscriminately arrested, some for apparently no more reason than that they did not speak English well.³²⁶ On October 18, Mayor Shakespeare appointed a committee "to thoroughly investigate the matter of the existence of secret societies or bands of oath-bound assassins, which it is openly charged...have culminated in the assassination of the highest executive officer of the Police Department...."³²⁷ That same day, Hennessey was given a grand funeral, after lying in state in the Council Chamber of City Hall, where two years earlier, Jefferson Davis, the former President of the Confederate States of America, had rested.³²⁸ A requiem Mass was said at St. Joseph's Catholic Church, and a funeral procession, more than a mile long, went to suburban Metairie Cemetery, where Hennessey was entombed in a marble and granite mausoleum.

Forty-eight hours after Hennessey's assassination, Thomas Duffy, a newspaper peddler, asked to see one of those arrested; he said he wanted to make an identification of him as one of the assassins. When the guards produced Anthonio Scaffidi, Duffy lunged toward him, firing a .32 caliber revolver.³²⁹ As the guards pinned Duffy down and disarmed him, he screamed, "If there were 75 more men like me in New Orleans, we'd run

all the dagos out of the city!"³³⁰ Although wounded, Scaffidi survived. Duffy was tried and convicted, and sentenced to six months in the Orleans and Parish Prison.

On November 20, indictments were returned against 19 prisoners: one group was charged with lying in wait and shooting with intent to kill, another group, which included Macheca, was charged with being accessories before the fact.³³¹ On February 16, 1891, in Section A of Criminal District Court in Old St. Patrick's Hall on Lafayette Square, a trial of some of the defendants began.³³² The state was represented by Charles Luzenberg; the defense was represented by Thomas J. Simmes, a former Louisiana Attorney General, who was paid, according to his grandniece, a "pillow case full of money."³³³ Out of 780 prospective jurors, 12 were finally selected.³³⁴ Out of 319 witnesses summoned, 154 actually testified--67 for the state, 84 for the defense.³³⁵ The testimony filled 800 typewritten pages. The trial lasted until the middle of March and it was covered extensively--and perhaps unduly affected--by the press.³³⁶ Chandler, in Brothers in Blood, termed the evidence against the defendants "extensively incriminating."³³⁷ Richard Gambino, in Vendetta, conceded the "probable guilt" of four of them, suggesting that the rest were "probably innocent."³³⁸ The trial judge, Joshua G. Barker, directed an acquittal for two of the defendants. Two days were then taken in final argument, and the jury went out at 6:22 a.m. on March 12. The following afternoon, around 12:30, it declared itself deadlocked as to three defendants, and it found the others, including Macheca, not guilty. Since additional charges were pending, those found not guilty as well as the others were remanded to the Parish Prison. Judge Barker was later to suggest that the action was to

protect them.³³⁹ That was not what he accomplished.

The impact of the jury verdict stunned the city. A howl of rage went up in Lafayette Square. As the jurors were escorted out, they were taunted, "How much did you get?"³⁴⁰ The defendants held a victory celebration in the prison, but there was another gathering that night with a different purpose. At the Boston Club, the second oldest private club in the country, W. S. Parkerson, who had been Shakespeare's campaign manager, was named to head a "movement to correct the failure of justice."³⁴¹ Newspaper owners, who had attended the meeting, agreed to hold their presses, so that a notice, signed by 61 of the most prominent citizens of New Orleans, could be inserted on the front page the next morning. It announced a mass meeting for that very morning, Saturday, March 14, at 10 a.m., at the Clay Statue, "to take steps to remedy the failure of justice in the Hennessey case." And as if to signal what was planned, it read: "Come prepared for action."³⁴²

March 14 was a bright and sunny day. By 10 a.m., a crowd of as many as 8,000 persons had gathered about the granite pedestal of the statue of Henry Clay, then located at Canal and Royal Streets.

Parkerson addressed the crowd:

People of New Orleans:...Affairs have reached such a crisis that men living in an organized and civilized community, finding their laws fruitless and ineffective, are forced to protect themselves. When courts fail, the people must act! What protection, or assurances of protection, is there left us, when the very head of our Police Department, our Chief of Police, is assassinated in our very midst by the Mafia Society....Will every man here follow me, and see the murder of D. C. Hennessey vindicated?³⁴³

Toward noon, the mob, its size inflated, marched to Orleans Parish Prison, where the warden, realizing the futility of resistance, released

the 19 prisoners, so that they might have a chance to hide. The tactic saved the lives of eight of them, including Macheca, but the remaining 11 were shot or hanged or both, and the bodies of two hanged men were used for target practice. The Italian consul, Pasquale Corte, arrived at the scene to find, as he described it in his report on March 15 to the Royal Ministry in Rome, the "horrors of slaughter," the sight of "dead bodies hanged to trees."³⁴⁴ Of the 11 who were lynched, three had been acquitted, three had been declared subjects of a mistrial, and five had not been tried at all.

Response to the lynchings reflected an antagonistic attitude toward immigrants in general and toward the Mafia in particular, although the criminal society had not yet achieved notoriety, except in the very large cities like New York, New Orleans and Chicago. The New York Times³⁴⁵ said in an editorial that "life and property" was made "safer," while The Washington Post³⁴⁶ editorialized that the people of New Orleans had been "provoked" and had had to break a "reign of terror." Theodore Roosevelt, then a 32-year-old civil service commissioner, termed the lynching "a rather good thing," adding that he had said so, too, at a party in the presence of "various dago diplomats."³⁴⁷ The Italian representative in Washington, Baron Francesco Severio Fava, however, lodged a series of protests with Secretary of State James G. Blaine, which called for indemnity for the families of the victims and punishment of the offenders.³⁴⁸

Relations between Rome and Washington became tense and then deteriorated, as each nation withdrew its representatives. President Benjamin Harrison asked Attorney General William H. Miller to look into the matter, and on April 27, 1891, the U. S. attorney for New Orleans, William Grant, reported³⁴⁹ to the Attorney General that he had been unable "to connect" any of the persons

lynched with bribery of the jury or to obtain "direct evidence connecting...[them] with the Mafia," the existence of which, he conceded, had been "known and believed in by the public [in New Orleans] for a great many years." He also acknowledged that "few of its victims...[had] the courage to speak...." While conceding that he had not attempted "to examine into the guilt or innocence of the persons accused of the murder of Hennessey," he expressed the opinion that the evidence was not "conclusive one way or the other."

c. The Grand Jury Report

A grand jury in New Orleans, which was empowered on March 17, 1891, to investigate the lynchings, was not so restrained in its judgment. In a report issued May 6, it called the verdict in the murder trial "startlingly amazing, a bitter disappointment...shocking to public opinion," and it termed the state's case "strong" and "more than sufficient."³⁵⁰ It also noted extensive evidence of efforts to reach those selected as talesmen, commenting, however, that:

[It] will be quickly realized by every thoughtful person that the difficulties of establishing the existence of a conspiracy by adequate proof are almost insurmountable. Such plotting was done in secret places and their working often guarded by the advice of counsel well versed in criminal law. Secrecy is an essential element in the successful execution of the designs of a conspiracy. Seldom does it happen that any one of the participants will reveal the villains either before or after its execution.³⁵¹

The grand jury then returned six indictments for efforts to fix the trial jury in the Hennessey assassination, of which three resulted in convictions, two resulted in acquittals, and one was never tried. The grand jury concluded that some members of the trial jury "were subject to a money influence."³⁵² On the question of the Mafia, the grand jury concluded:

The extended range of our research has developed the existence of the secret organization styled "Mafia." The evidence comes from several sources fully competent in themselves to attest its truth....Officers of the Mafia and many of its members are not known. Among them are men born in this city of Italian origin....The larger number of the society is composed of Italians and Sicilians...[immigrants].³⁵³

The grand jury then praised some societies that immigrants had created "for laudable" purposes, but it condemned "the practice of assassination...."³⁵⁴ It also noted that a large part of the Italian colony in New Orleans was recognized "as a worthy class"; it was, the grand jury said, "fairly industrious" and characterized by "frugality."³⁵⁵ It then found that the "sadly deficient" or "badly administered" immigration laws had failed in the past to distinguish between the "meritorious and law-abiding" and the "vicious."³⁵⁶ Finally, the grand jury turned to the murder of Hennessey and the lynchings:

Assassination of the late Chief of Police shows the culmination of a conspiracy. His death was deemed necessary to prevent the exposure and punishment of criminals whose guilt was being fast established by his diligent pursuit.³⁵⁷

The grand jury noted that "good citizens" had been "profoundly impressed by the repeated and signal failures of justice."³⁵⁸ The lynchings seemed, the grand jury said, "to involve the entire people of the parish and city of New Orleans...."³⁵⁹ It declined, therefore, to present any indictments on the lynchings.

The grand jury report was generally well received. The Washington Post³⁶⁰ endorsed it, for example, but others felt differently. The Italian consul in New Orleans, Pasquale Corte, wrote an open letter on May 6 to the grand jury in which he questioned its work, not denying the existence of the Mafia or that there were "Italian criminals" in

New Orleans. Corte noted that some members of the mob itself had served on the grand jury, and he condemned its failure to indict those who had in "cold blood" killed those who were "either acquitted or not yet tried."³⁶¹ President Harrison agreed with the Italian consul. In his Third Annual message to Congress on December 9, 1891, he termed the mob action "deplorable and discreditable," but he rejected any suggestion that the lynching resulted from "general animosity to the Italian people."³⁶²

d. Its Aftermath

The repercussions of the lynchings were widespread, and, curiously, the forces in play were much the same as those 70-odd years later when the first Irish-American President met the same fate--assassination--as an Irish Chief of Police in New Orleans--the U. S. government, the national crime syndicate, or Mafia, and a Caribbean country that first attracted U. S. attention in the 1890s, Cuba.

In 1891, the United States had almost no fighting navy, while Italy had one of the world's mightiest. When a war scare developed over the lynchings in New Orleans (several resolutions in the Italian Parliament³⁶³ had called for bombardment of Atlantic and Gulf ports), the Harrison Administration, prodded by congressional militarists like Senator Henry Cabot Lodge of Massachusetts, second ranking on the Naval Committee; and a jingoistic press, argued successfully for appropriations to bolster the nation's naval presence.³⁶⁴ War with Italy was averted, but the stationing of the U. S. fleet in foreign waters led eight years later to American intervention in Cuba, following the sinking of the U.S.S. Maine in Havana harbor on February 15, 1898. The Spanish-American War was over almost as soon as it began. Cuba was invaded in June, and by July, control of the country had been wrested

from Spain. Cuba remained under U. S. control until a constitution in 1900 established its freedom, but that constitution also contained the Platt amendment, which, until it was revoked in 1934, recognized the right of the United States to intervene to preserve "independence" or "order" in Cuba.³⁶⁵

The New Orleans incident also was seized upon by advocates of restrictive immigration legislation. 'The Washington Post³⁶⁶ reported three weeks after the lynchings that it was the "almost universal belief that Congress...[would] undertake to make some radical changes in the immigration laws." Parkerson, the leader of the New Orleans mob, went on a speaking tour in 1891 in behalf of "reform." In addition, Senator Lodge, as strong in his nativism as in his support for the Navy, fought successfully for a restrictive policy toward immigrants, which would not be reversed until 1960, with the election to the presidency of another Senator from Massachusetts, John F. Kennedy. What Samuel Eliot Morison, the historian, said about legislation passed in 1921 applied to a general policy of discriminating against southern and eastern Europeans: "Sicilians were suspect, owing to their having imported the Mafia,...[while] eastern European immigrants were suspect because they were largely Jewish and possibly 'Red.'"³⁶⁷

e. A Reconstruction and Perspective

It must be conceded, that as Smith argues in The Mafia Mystique,³⁶⁸ it is not possible to "say for certain where the truth lies" in the various accounts of the Hennessey assassination and the retributive lynchings in 1890 and 1891, owing to the inherent difficulty of reconstructing any historic event, especially when crime and controversy are involved. Nevertheless, it is known that a Mafia family that

existed in New Orleans today can be traced through identified persons, activities and traditions back from Carlos Marcello, its current leader, to Sam Carolla, to Charles Montranga and to Joseph Macheca. That alone even a debunker like Gambino, in Vendetta, conceded is "telling."³⁶⁹ The most satisfactory reconstruction of the events of 1890, however, is that of Chandler in Brothers in Blood.

According to Chandler,³⁷⁰ Joseph P. Macheca, the stepson of a hard-working fruit stand vendor, was born in New Orleans in 1843, of an unidentified Sicilian father. By the age of 30, he was a man of property and influence. Nevertheless, in 1869, Ralph Ainello, a newly arrived immigrant from Palermo, challenged his leadership in the Sicilian community. Apparently, Ainello was a Mafia member, and he proceeded to organize a local chapter. Macheca had Ainello murdered by Frank Saccaro, using a lupara, a sawed-off shotgun, and he took over Ainello's organization. Macheca stepped aside for Guiseppo Esposito, the Sicilian bandit, but he was back in power in 1881, after Esposito was arrested by the Hennesseys and deported. In 1890, strife erupted within the organization between factions loyal to Joseph Provenzano and Charles Montranga over control of the New Orleans docks. The conflict came to a head not long after Dave Hennessey became Chief of Police.

On April 6, 1890, some of Provenzano's men attacked a group of Montranga followers with shotguns at Claiborne and Esplanada Streets, just outside the French Quarter, and Hennessey had the attackers arrested. Surprisingly, the Montranga group swore out complaints, and despite an evident effort to fix the case, the Provenzano people were convicted, but the judge ordered a new trial. While the case was still pending, Hennessey let it be known that he would "show up" Macheca and the Montrangas, whereupon Macheca observed to reporters: "Hennessey is

investigating the Provenzano case the wrong way and he will answer for it."³⁷¹ It was, he said, "strictly an Italian affair."³⁷² Macheca then posted one of his men and a 14-year-old nephew in a wooden shanty a half-block from Hennessey's house. In early October, four others moved into the shanty. On October 15, two days before the second Provenzano trial was to start, the nephew, acting as a lookout, signaled Hennessey's approach. The others were ready with their luparas.

As Chandler noted, the "amazing thing about the 1891 lynchings is that they had so little effect on the Mafia in New Orleans."³⁷³ Charles Montranga succeeded to Macheca's leadership, and, except during the prohibition, when Irish gangs challenged the Mafia's dominance, the power was passed peacefully from generation to generation. Montranga remained as leader until 1922, when he was succeeded by Sam Carolla, who in turn was succeeded by Carlos Marcello. Montranga died on October 28, 1943, at age 86, and his funeral was attended by executives of United Fruit and other large corporations that had been dependent on his good will.³⁷⁴

The events in New Orleans in 1891 permanently affected the American consciousness in a number of ways. While there were a number of secret societies of a criminal character that originated in either Sicily or southern Italy and the cultural difference between Sicilians of various parts of the island and between them and Neapolitans or Calabrians was and is substantial, the tendency among Americans after 1891 was to ignore these differences and to associate the name, Mafia, with any criminal organization whose membership was in whole or in part of Sicilian or Italian extraction. Hobspaw³⁷⁵ notes correctly that in fact the Mafia is associated with Sicily, the Camorra with Naples, and the Honored Society with Calabria. Indeed, the tendency has arisen to

use the term, in its loose sense, to refer to any criminal organization: a study by Francis A. J. Ianni in 1972 of ethnic succession in organized crime was, for example, entitled, Black Mafia; a loose-knit group of criminals in the Southern part of the United States was referred to in a New York Times article as the "Dixie Mafia."³⁷⁶

Lamentably, the assassination of Chief Hennessey has been twisted to suit various purposes. Both in 1891 and later. In the minds of many, Hennessey's death became a symbolic event, not merely a historical occurrence.³⁷⁷ The traditional view, of course, used the Mafia element and the consequent "purity of...intentions" to justify the conduct of the lynch mob. Judge Robert H. Marr, to whom the grand jury returned its report, so wrote in 1891 in the scholarly American Law Review.³⁷⁸ Popular literature at the time similarly reflected a view favorable to the lynchers. In general, modern writers have tended to accept uncritically the official view, at least on the existence of the Mafia, as witness Herbert Asbury's The French Quarter, in 1938, Ed Reid's Mafia, in 1952, and Frederick Sondern, Jr.'s Brotherhood of Evil, in 1959. There developed, however, a revisionist strain. Seeing events chiefly from the perspective of the victims, and emphasizing the social and economic factors, including the undeniable presence of bigotry, works, such as G. Schiavo's The Truth About the Mafia, in 1962, Henner Hess's Mafia and Mafiosi, in 1970, Joseph L. Albini's The American Mafia: Genesis of a Legend, in 1971, and Richard Gambino's Vendetta, in 1977, attempted to argue that there was no organization--Mafia or any other--at work in the assassination of Hennessey. The participants, if they were participants at all, were padroni, labor bosses, who exploited Italian laborers, not a don or rappresentanti, the head of an organized

crime family, or members of a brugad or borgata, an organized crime family. What was present was a social system characterized by patronage--the relationship between a patron and a client--and not an organization. These writers were on sound ground when they showed that more than the Mafia played a role in the events of 1891, but their effort to rule out the existence of an organization was strained--and obviously so.³⁷⁹ It is impossible not to take note, for example, of the almost casual way in which Albini³⁸⁰ accepted in his study the historical existence of the "Molly Maguires," an Irish secret society--an organization--that terrorized the anthracite coal operators in the 1860s and 1870s in Pennsylvania. It stands in sharp contrast to Albini's effort to explain away all evidence--however direct and concrete--of the similar existence of an organization among criminals who happened to be of Italian extraction.

4. The Foundation of the National Syndicate

That there was in existence a national syndicate prior to Prohibition, however, may be doubted. Nevertheless, there is substantial evidence outside of New Orleans that there were various independent Mafia groups in a number of major American cities. In 1903, Nicola Gentile, a native of Siciliana, Sicily, finding little opportunity in his native village, came to the United States as a youth of 18.³⁸² After a career in organized crime, he returned to Sicily in 1937, having been charged with a narcotics violation in New Orleans, where he jumped bail.³⁸³ In the 1950s, following his retirement, he began writing a long, rambling memoir in Italian entitled Vita di Cammafia, which was published in Rome in 1963.

Gentile wrote:

All organizations are born with principles and humanitarian goals, but in their midst the opportunists are never missing and will try to make a profit.... [T]he Honored Society, or Mafia, as it is commonly called...[however] finds its [current] reasons for existence in force and in terror.... It...was brought to America in the sections of the country where Sicilians, Calabrians and Neapolitans lived. ... With the passing of time in every [major?] city of America these associations were formed. In the city of New York and Brooklyn alone there were five...borgates or families.... 384

With Gentile, as well as Joseph Valachi, as a witness, a national syndicate was apparently formed in the years immediately before Gentile's return to Sicily. The eyewitness accounts of Gentile and Valachi--having all the elements of a Florentine intrigue of the 16th century--have been independently substantiated by the reminiscences of other insiders, picked up on FBI bugs.

a. The Castellammarese War

In the 1920s, Giuseppe Masseria ruled a Mafia family in New York City that numbered among its members three of the most familiar names in the annals of organized crime: Charles Luciano, Vito Genovese, Frank Costello. One of the reasons that the names were to become synonymous with crime itself was the part the three men played in a conflict between Masseria and Salvatore Maranzano, who arrived in New York in 1927, and promptly founded a Mafia family to rival Masseria's.³⁸⁵ The conflict was called the Castellammarese War, since Maranzano and many of his followers were natives of the Sicilian town of Castellammare del Golfo.³⁸⁶ Other Mafia groups from Chicago, as well as New York, were also drawn into conflict. Allied with Masseria were a family headed by Steve Ferrigno, a boss from the Bronx (Ferrigno would be succeeded by the Mangano brothers, Philip and Vincent, then by Umberto (Albert)

Anastasia, then by Carlo Gambino), and Al Capone's organization in Chicago. Maranzano commanded the loyalty of a Mafia family headed by Joseph Profaci, a boss from Brooklyn (Profaci would be succeeded by Joseph Magliocco, then by Joseph Colombo), and the Joseph Aiello family in Chicago.

Valachi remembered how the war went.³⁸⁷ Masseria had another Mafia boss, Gaetano Reina, killed on February 26, 1930, when Reina resisted Masseria's efforts (unrelated to the war) to move in on Reina's ice distribution racket. Masseria forced the Reina family to accept as its boss Joseph Pinzolo, who in turn was killed on September 9, 1930, and succeeded by Gaetano Gagliano (Gagliano died of natural causes in 1953 and was succeeded by Gaetano Lucchese, better known as Thomas Lucchese). Valachi was inducted into the old Reina family when Pinzolo was its boss, and Maranzano himself presided over the induction ritual. Joseph Bonnano, who was later to succeed Maranzano as boss, was made Valachi's godfather, or gombah. "At the time," Valachi said, "I don't know nothing about all this, but the idea was to bring in new members like me that they could count on to help them."³⁸⁸ Valachi's first assignment was to watch Ferrigno. He recalled:

At the time I'm just "proposed" -- meaning I'm in line to be a member, but I ain't one yet.

.....

Now I'm in the apartment on Pelham Parkway. It's on the second floor. It's over a court, and on the other side of the court is the entrance to the apartment of Ferrigno.... One of the guys who stayed on and off in my apartment is Joe Profaci, and he explains a lot of the history of what has been going on. He tells me how Maranzano and Gagliano have put up \$150,000 each for the war against...[Masseria]. Besides that he says we got \$5,000 a week coming in from Steve Magaddino in Buffalo and \$5,000 from

Joe Aiello in Chicago....Then one day he comes in with a sad face and says, "We're out of money from Chicago. Capone got Aiello."³⁸⁹

Ferrigno was killed on November 5, 1930, as he left his apartment at 759 Pelham Parkway South, in the Bronx, but the Castellammarese War would not end until one or the other, Masseria or Maranzano, was eliminated--an ideal situation for a treacherous underling like Charles Luciano.

b. Salvatore Luciano: Background

Salvatore Lucania was born in November 11, 1896, at Lercara Friddi, a sulphur mining town in the province of Palermo, Sicily, the third son of Antonio and Rosa Lucania, who brought him to the United States in 1905.³⁹⁰ They settled on the lower East Side of Manhattan. Antonio Lucania got a job in a brass bed factory, never broke a law in his life, and became a U. S. citizen in 1929. He died in 1941. Two other sons and two daughters were never in serious trouble either, but the son, who would anglicize his name to Charles Luciano, left school, P. S. 40 in Manhattan, before completing the fifth grade. He was committed by the Board of Education to the Brooklyn Truant School, then went to work in a hat factory, but after two years, he quit. "If I had to be a crumb," he said, "I would rather be dead."³⁹¹ Luciano later explained to a probation officer that a "crumb" was someone who worked, saved, laid his money aside and indulged in no extravagance. He never earned an honest dollar again. At 18, Luciano was charged with unlawful possession of narcotics, a vial of half a dram of heroin. He was convicted and served six months of an indefinite term. He was arrested again in 1921 for carrying a loaded revolver; in 1923 for heroin; in 1926 for carrying loaded weapons; and in 1928 for armed robbery.³⁹²

During this time, Luciano was forming criminal associations that were not limited to Sicilians and Italians. They included Meyer Lansky, who became a lifelong friend, Arnold Rothstein, John T. Nolan (Legs Diamond), Arthur Flegenheimer (Dutch Schultz) and Benjamin (Bugsy) Siegel.³⁹³

On October 18, 1929, Luciano was kidnapped, beaten, and left for dead, suspended from a beam in an abandoned warehouse on Staten Island. The New York Times reported:

Charles (Lucky) Luciania [sic] associate of the late Arnold Rothstein, the notorious Diamond brothers and the late Thomas (Paddy) Walsh awoke at 2³⁹⁴ a.m. yesterday,...and thought he was dreaming.

Part of the Luciano legend was that this incident gave rise to the nickname, "Lucky."³⁹⁵ The Times account discounts the legend: the nickname clearly predated Luciano's narrow escape. In reality, the nickname was no more than a corruption of Luciano.

By 1931, Luciano was a ranking lieutenant of Masseria, but the Castellammarese War was not going well (Maranzano had accomplished at least 60 successful ambushes), so Luciano decided to end it his own way. When he made that decision was uncertain (Valachi would testify that Luciano had been negotiating with Maranzano for some time),³⁹⁶ but on April 15, 1931, Luciano arranged a "peace" meeting with Maranzano for Masseria at the Nuovo Villa Tammaro Restaurant, 2715 West 15th Street, Coney Island.³⁹⁷ At least three other Masseria men, including Vito Genovese, who was loyal to Luciano, were there. After a leisurely meal (lobster and Chianti), everyone but Luciano and Masseria left the restaurant, according to the reconstruction by police and crime

reporters.³⁹⁸ Luciano suggested cards while they waited for Maranzano. They played until about 3:30 p.m., when Luciano got up, he told the police, "to go to the washroom."³⁹⁹ While he was gone, three men, identified by the underworld grapevine as Benjamin Siegel, Albert Anastasia and Joe Adonis, entered the restaurant and fired some 20 shots, six of which hit Masseria in the back and head.⁴⁰⁰ He never had a chance to turn around.

According to Nicola Cennile, a friend of Maranzano, Vincent Troia, was called to Luciano's apartment that night. "Don Vincenzo," Luciano said, "tell your compare Maranzano that we have killed Masseria--not to serve him but for our own personal reasons.... Tell him that within 24 hours he must give us an affirmative answer for a meeting...."⁴⁰¹ Luciano got his affirmative answer. The war had ended, but for Luciano, it was just the beginning.

c. The Washington Hall Meeting

Toward the end of April 1931, Maranzano held a five day celebration at a big hall on Washington Avenue in the Bronx. Valachi, who was there, remembered:

Mr. Maranzano called a meeting....The place was packed. There was at least four or five hundred of us jammed in....I didn't know until later that he was a nut about Julius Caesar and even had a room in the house full of nothing but books about him. That's where he got the idea for the new organization....In the new set up he was going to be the Capo di tutti Capi, meaning the Boss of all Bosses. He said that from here on we were going to be divided up into new Families. Each Family would have a boss and an under-boss. Beneath them there would be lieutenants or caporegime. To us regular members which were soldiers, he said, 'You will each be assigned to a lieutenant. When you learn who he is, you will meet all the other men in your crew.'⁴⁰²

According to Valachi, Maranzano discussed other rules.⁴⁰³ No longer would there be a war--Sicilians, Neapolitans, and Calabrians would forget their differences. The organization would come first, chain of command would be respected, death was decreed for talking, no violation of a member's wife would be permitted, hearings would be held to decide disputes, and so on. Few of the ideas were original--or derived from Julius Caesar. They were the standard code of Italian and Sicilian secret societies, going back at least to "The Young Italy Society," which was founded in 1831 by Giuseppe Mazzini.⁴⁰⁴ It was also at this meeting that Maranzano, the new boss of all bosses, imposed on the Mafia factions the family structure that was still in existence today. The organization Maranzano had formed in 1927 was divided into two families, one under Joseph Profaci, the other under Joseph Bonanno. Gaetano Gagliano headed another family, with Thomas Lucchese as underboss and Charles Luciano headed the old Masseria family, with Vito Genovese as underboss. Control of the fifth family was awarded to Philip and Vincent Mangano.⁴⁰⁵

d. La Cosa Nostra

When Valachi testified before the McClellan committee, Senator McClellan asked him to name the organization. Valachi replied, "Cosa Nostra."⁴⁰⁶ A number of crime reporters and other critical observers reacted negatively. Hank Messick, the author of The Mobs and the Mafia, suggested that J. Edgar Hoover had extracted the name, "Causa Nostra," from casual references by members on bugs and then fed it to Valachi, along with Nicola Gentile's manuscript.⁴⁰⁷ For Messick, Valachi's testimony was little more than a face-saving effort by Hoover, who had long maintained there was no Mafia. In the view of some critics, more

than face saving was involved. Tom Wicker of the New York Times, for example, suggested that Hoover had fashioned a new menace, as he had with the Communist Party, to assure large congressional appropriations for the FBI.⁴⁰⁸ The theories of both Messick and Wicker, however, are contradicted by the factual record.

In The Valachi Papers, Peter Maas recounted how the FBI first heard the name "Cosa Nostra" from Valachi.⁴⁰⁹ Initially, Valachi was under the jurisdiction of the Bureau of Narcotics, which was unable to learn much from him. The decision was made to bring in Special Agent James P. Flynn of the FBI, who was a master of the art of interrogation. On September 8, 1962, certain that Valachi had not begun to tell all that he knew, Flynn suddenly said, "Joe, let's stop fooling around. You know I'm here because the Attorney General wants this information. I want to talk about the organization by name, rank, and serial number. What's the name? Is it Mafia?"

"No," Valachi said. "It's not Mafia. That's the expression the outsider uses."

"Is it of Italian origin?"

"What do you mean?"

"We know a lot more than you think," Flynn said. "Now I'll give you the first part. You give me the rest. It's Cosa _____."

Valachi went pale. For almost a minute he said nothing. Then he rasped back hoarsely. "Cosa Nostra! So you know about it."

It is doubtful that Valachi "ever intended to become a full-fledged defector,"⁴¹⁰ but Flynn had the good sense not to treat him as though he had. As Salerno noted:

[Flynn] talked to him, argued with him, reminisced, listened. Sometimes he saw that Valachi was withdrawn, and he would drop the subject of Cosa Nostra for that day. Sometimes he would pretend to get angry and call Valachi a lying son of a bitch or try to provoke him into revealing more to justify himself.⁴¹¹

Valachi in short was "handled."

Flynn's key advantage over Valachi, however, was the result of intelligence obtained by the FBI electronic surveillance program. And an analysis of the transcripts of the surveillance confirms the authenticity of the name, La Cosa Nostra. FBI File 92-6054, which contained the basic intelligence collected by the Bureau on the national syndicate of organized crime, was originally entitled "The Criminal Commission."⁴¹² As early as September 1959, the bug in Gus Alex's tailor shop in Chicago had picked up a conversation between Sam Giancana and Anthony Accardo, in which a "Commission" was discussed.⁴¹³ Giancana reviewed its membership, in addition to himself: Raymond Patriarca of Providence, Stefano Magaddino of Buffalo, Joseph Zerilli of Detroit, Joseph Ida of Philadelphia, Sebastian John LaRocca of Pittsburgh, and Joseph Profaci, Vito Genovese, Thomas Lucchese and Joseph Bonnano, all of New York City.⁴¹⁴ Once the surveillance program was expanded under the Kennedy Administration, agents began to develop a more sophisticated awareness of what they were listening to, a thought process that can be traced in the file, particularly in the administrative memoranda, in which the agents discussed the possible meaning of different words.⁴¹⁵

Initially, for example, agents listening to a conversation in Philadelphia on February 11, 1962, mistakenly thought they were overhearing "La Causa Nostra,"⁴¹⁶ and the file was renamed accordingly on January 16, 1963.⁴¹⁷ On July 1, 1963, the semiannual summary of the status of the intelligence program gave several variations of the name,

including La Cosa Nostra, La Causa Nostra and Onorata Societa. Finally, on August 12, 1963, Courtney Evans, the Associate Director for the Special Investigative Division, wrote to his counterpart in the General Investigative Division, Alan Belmont:

Information on La Cosa Nostra [was] first received from a live informant in September 1961, in New York as La Causa Nostra, meaning Our Cause. Within months there was corroboration from other sources, including members, who also gave La Causa Nostra.

.....

There appeared to be some disagreement as to translation. Finally, Bureau translators opted for Our Thing. The sources who had used Causa did not speak Italian well.⁴¹⁸

e. Boss of All Bosses

As boss of all bosses, Maranzano established himself in a luxurious apartment behind the Hotel Commodore, next to Grand Central Station in Manhattan, and he established a business front, the Eagle Building Corporation, a real estate company located at 230 Park Avenue.⁴¹⁹ But, Maranzano, it seemed, was not content to win. About six months after Masseria's murder, he told Valachi to come by his house at 2706 Avenue J in Brooklyn. Valachi arrived about 5 p.m. He remembered:

Mr. Maranzano got right to the point.... He said, 'I can't get along with these two guys [Luciano and Genovese] and we got to get rid of them before we control any thing.' He talked about some others who had to go too--like Al Capone, Frank Costello, Willie Moretti from Fort Lee, N.J., Joe Adonis, and Charley Lucky's friend from outside the Cosa Nostra, Dutch Schultz.

.....

Then Mr. Maranzano tells me that he is having one last meeting the next day at two o'clock with Charley Lucky and Vito.⁴²⁰

It was to be Maranzano's last meeting, but it was not to be with Luciano or Genovese, who he planned to have killed as they left his office. On

September 10, 1931, at 3:50 p.m., while in his office, Maranzano was shot four times and stabbed six times by four unidentified men posing as police officers. Valachi was later told that the killers were Meyer Lansky's men (one of whom, "Red" Devine, confirmed the story to Valachi) acting on Luciano's behalf; they had wanted to cut Maranzano's throat, Valachi was told, but he resisted and had to be shot.⁴²¹

The Maranzano murder may not have been an isolated event. Apparently, Luciano had been planning a purge of the old line leaders of the Mafia across the country, although Humbert S. Nelli, the historian, has suggested, probably correctly, that the murders were largely restricted to New York.⁴²² Records were not kept to document the extent of the purge, but Thomas E. Dewey, who later was to prosecute Luciano, estimated it at "some 40."⁴²³ It came to be known as the "Night of the Sicilian Vespers."⁴²⁴

f. Luciano: The Commission

(1) The Commission

Maranzano had held his celebration in New York, while Luciano held his in Chicago, but that was not the only difference. Instead of a boss of all bosses, Luciano established a commission of bosses, which made the old families of the Mafia into a new organization, the national syndicate of organized crime. Valachi was asked to go to Chicago, where a "peace conference" was to be held, "to testify against Maranzano" (the killing of a boss had to be justified), but he declined.⁴²⁵ He said he was not eloquent enough. According to Gentile, who was there, the commission formed in Chicago consisted of Luciano, Profaci, Bonnano, Gagliano and Vincent Mangano of New York, Capone of Chicago and Frank Milano of Cleveland.⁴²⁶ Little by little, the other Mafia families soon

recognized the new set up and associated themselves with it.⁴²⁷

Luciano had come a long way from being left for dead on Staten Island in 1929. He moved into apartment 39-C of the Waldorf Towers in New York City, registering under the name Charles Ross.⁴²⁸ He was impeccably groomed, a man about town, who enjoyed the company of beautiful women and high living. There was, however, serious business to attend. Political alliances had to be cemented. At the 1932 Democratic National Convention in Chicago, at which Franklin D. Roosevelt was nominated, a number of interesting figures were on hand.⁴²⁹ Joseph P. Kennedy, the successful financier, was one. He was widely credited with helping to secure the nomination for Roosevelt by convincing William Randolph Hearst, the publisher, to swing California's crucial 44 votes to FDR.⁴³⁰ James J. Hines, the powerful political boss from the West Side of Manhattan, a Roosevelt supporter, was also there, accompanied by Frank Costello. They stayed together at the Drake Hotel,⁴³¹ where several floors down, Luciano himself was ensconced in the entourage of Albert C. Marinelli, the Tammany Hall leader, who was pledged to Alfred E. Smith, the former Mayor of New York and unsuccessful presidential candidate in 1928. Meyer Lansky, too, was at the Democratic Convention.

While political influence was important, Luciano was also busy strengthening alliances within his own organization and sorting out territorial arrangements.⁴³² J. Richard "Dixie" Davis, a corrupt lawyer who represented Dutch Schultz, described the new order of the underworld in a series of articles for Colliers in 1939.⁴³³ After noting the new "system of alliances," Davis wondered at the skill with which "the underworld" had been "drawn into cooperation on a national scale" by Luciano.

Hank Messick has suggested that the alliances described by Davis, which had apparently been agreed upon at a meeting in the spring of 1934, in Luciano's Waldorf Towers apartment, constituted a national syndicate, of which the Mafia was only a part.⁴³⁴ According to Messick, the Mafia leaders involved in the syndicate, called the "combination," were "more as partners...than as leaders of a separate entity."⁴³⁵ Messick wrote that the Mafia figures referred to this national syndicate as the "combineesh [sic]."⁴³⁶ He also alleged that as Luciano was about to go to prison for compulsory prostitution, he issued an order to his Mafia subordinates: "Cooperate with Meyer," meaning Lansky, who then became the leader of the syndicate.⁴³⁷ It is questionable, however, whether Luciano possessed the power to transfer his authority to Lansky or anyone else. And, if Angelo DeCarlo, a caporegima in the Genovese family, can be believed, Messick was mistaken. On October 17, 1961, DeCarlo was reminiscing about "the good old days" with several other members of the Genovese family, as the FBI was listening:⁴³⁸

"In the good old days, they did it the right way," said one man.

"You bet your life," DeCarlo agreed.

"Today they're talked about like everyone knows. You never read nothing in the paper about (La Cosa Nostra) years ago. Today we got an Americanized mob, a Polack mob, a Jew mob, an Irish mob -- they all know about this thing."

"They had Jew mobs then," observed another.

"I mean they didn't know about it -- maybe Meyer knew about it, but the rest of the mob didn't," said DeCarlo. "Today they all know. ... The newspapers know!... [They know] how you get started, how you take the oath and everything. Look at the kid they made the boss over [in Philadelphia]. Angelo Bruno. He's only in this thing about five years, six years. And he's the boss."

"It's always been that way," another man said.

"But not as bad," DeCarlo corrected.

"Before it was more relationship. All the

bosses--it was through relations--cousins. That's the way this thing was supposed to start. All relations. That's the way it started in Italy. We were with the combanesche...."

"Comination, what combination?" a man asked.

"Combanesche!" DeCarlo replied. "We were with the combanesche. xxx Vito was a combanesche. ... Vito got in--I think he told me...in 1923."

A year later, in another conversation, DeCarlo was heard to say:⁴³⁹

"The combanesche and the Mafia is the same [thing]. When they had it all by themselves, nobody knew the (obscenity) who the hell they were. And then when they started letting Americanized guys in..."

2. Murder, Inc.

Luciano made skillful use of an awesome squad of assassins called "Murder, Inc.," a name that was given to it in 1940 by a New York journalist, Harry Feeney.⁴⁴⁰ Composed mostly of Jewish killers,⁴⁴¹ Murder, Inc., was organized in 1927 by Louis "Lepke" Buchalter, who was electrocuted in 1944. The services of Murder, Inc., however, were not for hire.⁴⁴² The work was done exclusively on retainer, and the Mafia was its exclusive client. Luciano, for example, would issue a contract to Joe Adonis, who would pass it on to Albert Anastasia, the Mafia's contact with Murder, Inc. Thus, Luciano was twice removed from the killer. As Burton B. Tarkus, the District Attorney who prosecuted the leaders of Murder, Inc., observed: "[A]ssassinations were ordered, contracted and performed...to sustain rackets."⁴⁴³ Tarkus made another point about organized crime investigation. "[T]here is," he said, "only one way organized crime can be cracked. Unless someone on the inside talks, you can investigate forever and get nowhere."⁴⁴⁴

(3) Prostitution

Apparently, a major aspect of Luciano's operations was organized

prostitution..⁴⁴⁵ Throughout Manhattan, the Bronx, Brooklyn, and Queens, he ran 200 houses and over 1,000 girls, all of which amounted to an annual gross of \$12 million.⁴⁴⁶ Luciano, who had contracted gonorrhea seven times and syphilis once, did not relish his role as a pimp.⁴⁴⁷ "I don't like the racket," he confided to one of his madams, Florence "Cokey Flo" Brown. "There's not enough in it for the risk we take." The girls who worked for him had their complaints, too. When Luciano was finally brought to trial, testimony indicated that many of them had been kidnapped, hooked on heroin, repeatedly raped, and after their will was broken, forced into prostitution. As one said, "They worked us six days a week, the syndicate did. They worked us like dogs and then they kicked us out."⁴⁴⁸ At first not wanting to get into the investigation of prostitution, Thomas E. Dewey, then a special prosecutor for New York County, saw a chance to make an unassailable case against Luciano.⁴⁴⁹ Three telephones were tapped from January 11, 1936, to February 1, 1936.⁴⁵⁰ Over 100 prostitutes and their managers were arrested, and they soon began to talk, since there was safety in numbers. One of the women at the trial told what happened to those who talked: "I know what happened to girls who had talked about the combination. The soles of their feet and their stomachs were burned by cigar butts...."⁴⁵¹ On April 1, 1936, Luciano was indicted on 90 counts of compulsory prostitution. He was arrested in Hot Springs, and returned to New York to stand trial. Dewey's opening statement to a special blue ribbon jury summarized the prosecution's case:

The vice industry, since Luciano took over, is highly organized and operates with business-like precision. It will be proved that... Luciano sat way up at the top, in his apartment at the Waldorf, as the czar of organized crime in this city....We will show you his function as the man whose word, whose suggestion, whose very statement, 'Do this,' was sufficient....⁴⁵²

In all, 68 witnesses testified, including 40 prostitutes, 12 bookers, pimps and male madams. Even the spirited defense of one of Luciano's lawyers, George Morton Levy, could not overcome the cumulative effect of the testimony. The high point of the trial was Dewey's cross examination of Luciano, who, though he denied any connection with prostitution, could not explain the source of the income that supported his expensive life style. Faced with his tax returns for 1929 to 1935, which showed that he had never declared more than \$22,500 on an annual return, Luciano was reduced to stammering.⁴⁵³ Dewey also pointedly questioned Luciano about a record of his long distance phone calls to reputed organized crime figures, as the case Dewey presented against Luciano went beyond the prostitution charges for which he was being tried.⁴⁵⁴ Convict Luciano, Dewey told the jury, or "say to the world and the public that the base gangster can go free."⁴⁵⁵ The jury returned its guilty verdict on June 7, 1936. Justice Phillip J. McCook⁴⁵⁶ passed sentence on June 18:

Charles Luciano, an intelligent, courageous and discriminating jury has found you guilty.... You [are]...responsible...for every foul and cruel deed, with accompanying elements of extortion performed [by your] band. [There appears] no excuse for your conduct, nor hope for your rehabilitation....

The court imposed a staggering sentencing of 30 to 50 years imprisonment on a stunned, 38-year-old Luciano. Dr. L. E. Keinholz, the psychiatrist at Sing Sing prison, who examined Luciano after his conviction, did not disagree with the need for Luciano's incarceration. He found that Luciano was "a dangerous individual...[who] should not be given too much freedom."

(4) Arthur Flegenheimer

Luciano was not the only one of his kind to feel the heat of Dewey's wrathful determination. Arthur Flegenheimer, called "Dutch Schultz," had, by strong-arm tactics and a political fix he had secured with James J. Hines, seized control of the numbers racket in Harlem for Black gangsters.⁴⁵⁷ From June 10 to October 29, 1936, Dewey had a tap on a phone in Hines' office from which he learned enough about the role of J. Richard Davis, Schultz's lawyer and his link to Hines, to persuade Davis to testify against Hines, who was convicted and sent to prison.

(5) Deportation

Luciano was sent first to Sing Sing and then to Clinton State Prison at Dannemora, in upstate New York, where he became inmate 92168 and went to work in the laundry.⁴⁵⁸ He did not come to public attention again until January 3, 1946, when Dewey, by then Governor of New York, forwarded an executive clemency message to the State Legislature, as required by the state constitution. The message⁴⁵⁹ recited Luciano's conviction, sentence and prison record; it noted that Luciano was "deportable to Italy." The next to last paragraph of the message would have far-reaching repercussions:

Upon the entry of the United States into [World War II], Luciano's aid was sought by the Armed Services in inducing others to provide information concerning possible enemy attack. It appears that he cooperated in such effort, although the actual value of the information procured is not clear.

Luciano was paroled and released into the custody of the Immigration and Naturalization Service for deportation. His ship, the S. S. Laura Keane, was to set sail for Italy on Sunday, February 11, 1946.⁴⁶⁰ Newspaper reporters attempting to interview Luciano aboard ship, on

February 9, were blocked by a line of longshoremen armed with baling hooks. Michael Minichino, an employee of the company that had charge of the pier, Universal Terminal Stevedoring Company, would later deny that he had seen Albert Anastasia that day. In addition to being a ranking Mafia member, Anastasia ran a local of the International Longshoremen's Association. It was routine, Minichino said, not to permit people on a working pier. The newspapermen did not interview Luciano, but a going-away party was held for him and a select group of his friends that afternoon and evening. Among others, Frank Costello attended. The meal, consisting of lobster, spaghetti and wine, was duly consumed, and the conversation among old friends lasted into the night. On the following morning, at 8:50 a.m., Luciano set sail for Italy, never to return to America again.⁴⁶¹

The rumors of Luciano's services to the government in World War II broke into print when, in February 1947, Walter Winchell, the columnist, wrote that Luciano was going to be awarded the Congressional Medal of Honor.⁴⁶² The Army, Navy, and the Office of Strategic Services, the precursor of the Central Intelligence Agency, each formally denied that Luciano had made any contribution to the war effort. A retired Naval intelligence officer, Commander Charles Radcliffe Haffender, was quoted as saying there was substance to the story, but when he was called before the Kefauver committee on March 15, 1951, at the time it inquired into the question, he changed his story, saying Luciano had made no significant contribution.⁴⁶³ The military services reiterated to the Kefauver committee their public denials. But the rumors would not be quieted. Then in 1971, Meyer Lansky, who was thought to have played a role in Luciano's "patriotic services," told, in an interview with the

press in Israel, his version of the story. Lansky, who was under indictment on charges related to skimming the profits of a Las Vegas casino, was fighting to remain in Israel and avoid standing trial.

Lansky said:⁴⁶⁴

When Italy entered the Second World War there was a feeling that some Italians are not patriotic enough. The Intelligence Branch of the American Navy was afraid that those Italians working on the docks or Italian fishermen using their boats, might collaborate with the enemy....Mr. Hogan [the New York prosecutor who succeeded Dewey] called the lawyer [for]...[Luciano]...to [see] if he might be helpful. ... [Frank Costello and I] made a white lie and we decided that we will tell... [Luciano] that if he will be helpful,...it might help to get...out...[H]e sent some words to his men....[Luciano] was much respected in the labor unions....

Lansky also suggested that he and Luciano were of assistance in the allied invasion of Sicily, helping to gather intelligence from Sicilians living in the United States.

There is good reason to believe Lansky's version, despite the official denials. Dewey, incensed over the attack on his integrity, ordered the New York Commission on Investigation to conduct an inquiry into Luciano's release that was, at the time, kept confidential, in order to secure the cooperation of the Navy. In 1977, however, after Dewey's death, his estate released the relevant papers.⁴⁶⁵ It had been a thorough investigation: from January 28 to September 17, 1954, 57

witnesses--Naval officers, state officials and racketeers--filled 2,883 pages of testimony transcript.⁴⁶⁶ In addition, the commission had access to wiretap records from District Attorney Frank Hogan's office, since Hogan had kept the operation under surveillance, leery of what appeared to him to be the Navy's naive readiness to work with

racketeers.⁴⁶⁷ The wiretaps confirmed that the Navy had enlisted the cooperation of the Mafia in much the way Lansky had outlined it to the press in Israel. Fearful of sabotage and espionage along New York's sprawling waterfront and advised by Joseph Lanza, a Mafia member who ruled the Fulton Fish Market work force, that there was but one man who could "snap the whip in the entire underworld," the Navy decided to seek Luciano's help.⁴⁶⁸ Luciano agreed to help through his organized crime network by gathering intelligence and maintaining control of the docks. He also assisted in gathering intelligence and making contact with Mafia figures overseas in anticipation of the invasion of Sicily. Commander Paul A. Alfieri, who landed in Sicily, was asked by the New York Commission if his contacts in Sicily were members of the Mafia. He replied, "Well they would never admit such, but from my investigative experience in New York City, I knew that they were."⁴⁶⁹ He added that he had developed the contacts out of the Luciano project and that they stood him in good stead.

As best the New York Commission could determine, the Mafia figures were motivated purely by patriotism -- there was no quid pro quo, no preferential treatment granted in return. Lanza, for example, who was under indictment for extortion when he agreed to cooperate, was prosecuted by Hogan, convicted and sent to prison.⁴⁷⁰ As for Luciano, the U. S. government did all it could to keep him confined, once he had been deported: it used its good offices with the post-war Italian government, which barred Luciano from Rome, Milan, and the island of Sicily; and it thwarted a move by Luciano to establish a base of operations in Cuba, advising President Ramon Grau San Martin that all shipments of medicine would be embargoed as long as Luciano remained in his country.⁴⁷¹

Luciano settled in Naples, taking a modest but comfortable apartment at 464 Via Tosso. While it was widely believed that he lived in luxury until his death of an apparent heart attack at the Capodichono Airport near Naples on January 26, 1962,⁴⁷² another version of his exile seemed close to the truth. Agnelo DeCarlo and several friends remembered for the FBI⁴⁷³ in October 1962:

"Now wait a minute," someone said, "I happen to know that...[Luciano] didn't need for nothing."

"Not in the last couple of years, but you don't know before that," DeCarlo said.

"Vito [Genovese] is the man that made it so he didn't need for nothing. Vito got it for him."

"That's right," someone said.

"But that was only the last four or five years," DeCarlo said.

"Vito is the type that looks after people," someone added. "He had to check to see what it was all about. He found out...[Luciano] owed grocery bills, butcher bills, everything...."

"When he left to go over,...they cut him off and gave him ten thousand dollars," DeCarlo said. "Then after that he got on the pad for two a month after that just before, he died, he was getting three."

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"It was...[Luciano] that straightened everything out and it was...[Luciano] that got everybody together," came another comment.

"This thing would never have turned out the way it is today if it wasn't for...[Luciano]."

"Charlie and Vito," someone said.

g. Vito Genovese

(1) Background

Vito Genovese was born in Rosigliano, near Naples, on November 21, 1897, and came to the United States with his parents at the age of 15, settling in the Borough of Queens, where his father established a small contracting business.⁴⁷⁴ He soon became too much for his family to handle (his first arrest, at age 20, was for carrying a gun, for which he spent 60 days in jail), so he was sent to live with relatives on

Mulberry Street in the heart of Little Italy on Manhattan's Lower East Side, where he met Luciano and a number of young toughs with whom he would associate during a career in crime. In their younger days, Luciano and Genovese teamed up for "glass shattering," a petty theft method, in which they would heave a rock through a show window of a jewelry store and speed away with as much loot as they could carry. Gradually, Genovese moved out of petty crime into the rackets. He was involved with Luciano in prostitution; he had a hand in the Italian lottery; and by the middle of the 1920s, he was a rising figure in organized crime.

According to Valachi, Genovese was a man whose bent was more Florentine than Neapolitan. "If you went to Vito," he said, "and told him about some guy who was doing wrong, he would have this guy killed, and then he would have you killed for telling on the guy."⁴⁷⁵ And his penchant for violence was not limited to the rackets.⁴⁷⁶ Genovese's first wife died, apparently of natural causes. His eye then turned to Anna Petillo, his fourth cousin, who was 12 years younger than he. There was only one obstacle to his desire--her husband, Gerard Vernotico. New York Police records show that Vernotico, 29, was found dead at 12:12 p.m. on March 16, 1932, garroted along with Antonio Lonzo, who it seemed, was a witness to Vernotico's slaying. According to Valachi, Genovese had ordered Vernotico killed.⁴⁷⁷ Genovese and Anna Petillo were married 12 days later in the Municipal Building.

(2) The Italian Exile

Not all of Genovese's plans worked so smoothly.⁴⁷⁸ Two years later, he set up a rigged card game and money machine swindle, out of which he made around \$150,000. Ferdinand Boccia, who had lined up the

victim, pressed Genovese for his share. Instead of paying off, Genovese hired Ernest Rupolo and William Gallo to kill Boccia.⁴⁷⁹ Rupolo was also supposed to kill Gallo after Boccia had been taken care of. According to Valachi,⁴⁸⁰ Genovese actually had Boccia murdered by other killers, but Rupolo attempted, on September 9, 1934, to kill Gallo, who, in turn, identified Rupolo as his assailant. Rupolo was then tried, convicted and sentenced to nine to 20 years for the Gallo assault. Eventually, the investigation of the Boccia murder focused on Genovese, and he was indicted. Seeing no viable alternative, Genovese fled to Italy in 1937.⁴⁸¹

During eight years of self-imposed exile, Genovese lived well. He and Anna had travelled to Italy in 1933 on a delayed wedding trip, and they took with them a letter of introduction to Achille Pisani, the secretary of the Fascist Party, enabling Genovese to make contacts in the government. According to Valachi,⁴⁸² when Genovese returned to Italy in 1937, he took \$750,000, which was supplemented from time to time by Anna, who would come to visit with her husband's share of racket profits in \$50,000, \$60,000 and \$100,000 increments.⁴⁸³ Apparently, Genovese used the money, not only to live lavishly, but to ingratiate himself with leaders of the Fascist regime. According to Anna, he contributed \$250,000 to the construction of a Fascist Party headquarters in Nola.⁴⁸⁴ There was also evidence that Genovese arranged to have

Carmine Galante murder Carlo Tresca, the editor of an anti-Fascist publication in New York, Il Martello, on January 11, 1943.⁴⁸⁵ Mussolini himself expressed gratitude to Genovese by conferring on him the title, commendator de Re, a civilian honor.⁴⁸⁶

In 1944; the authorities in New York resumed their interest in the Boccia murder when Rupolo was released from prison on parole and got mixed up in another shooting.⁴⁸⁷ In an effort to avoid going back to prison, Rupolo told the Brooklyn Police that Genovese had been responsible for the Boccia murder, naming Peter LaTempa, a cigar store salesman, as a witness who could verify his story, as corroboration is a prerequisite for conviction under New York law. Based on the testimony of Rupolo and LaTempa, a new indictment against Genovese and three others was returned for the Boccia murder.⁴⁸⁸

As the tide of battle turned, leading to the surrender of Italy in September 1943, Genovese did a quick turnabout and signed on as an interpreter for the Allied Military Government at Nola.⁴⁸⁹ He could not resist a temptation to revert to his old profession, however, and he was arrested on August 27, 1944, by Orange C. Dickey, a special agent for Military Intelligence, for running a black market syndicate.⁴⁹⁰ While Genovese was in Dickey's custody, he offered him a \$250,000 bribe, which Dickey refused. Then, when Dickey learned from a routine check with the FBI of the outstanding murder indictment in Brooklyn, he made arrangements to bring Genovese back to the United States to stand trial. Genovese pressed his demands on Dickey.⁴⁹¹ "Now, look, you are young," he told Dickey, who was 24. "[T]here are things you don't understand. This is the way it works. Take the money.... Nobody cares what you do. Why should you?" When Dickey refused, Genovese turned ugly. Dickey would, Genovese warned, regret his actions. Suddenly, Genovese's attitude changed, and he told Dickey, "You are doing me the biggest favor anyone has ever done to me. You are taking me home." Genovese knew something that Dickey did not: LaTempa was being held in

protective custody at the Raymond Street Jail in Brooklyn. LaTempa suffered from gallstones, and on January 15, 1945, he took a prescription for pain. The city toxicologist later reported that he had been given a dosage of poison potent enough "to kill eight horses."⁴⁹² Genovese was returned to the United States on June 1, 1945, but without LaTempa's corroborating testimony he could not be convicted of the Boccia slaying, and he was released from custody in the summer of 1946. Assistant District Attorney Julius Helfand told⁴⁹³ the court on June 11, 1946:

Other witnesses who could have supplied the necessary corroboration were likewise not available because they were missing or refused to talk and tell what they knew of this crime because of their fear of Genovese and the other bosses of the underworld, or [because they know] full well that to talk would mean their death.

Rupolo, who was released from prison in 1949, was apparently "forgiven" for testifying against Genovese,⁴⁹⁴ since he had done his jail time on the Gallo assault in silence, but on August 27, 1964, his tightly bound corpse broke loose from concrete weights and came to the surface of Jamaica Bay.⁴⁹⁵ Rupolo had been stabbed 11 times and shot 6 times, though apparently his murder was unrelated to his testimony against Genovese. He had had a run-in with members of the Profaci family, who were tried for his killing, but acquitted.⁴⁹⁶

(3) Succession to Luciano

In November 1946, Luciano, his passport in order, made a surprise appearance in Havana and placed calls to New York, Chicago, Detroit and New Orleans to announce an important meeting.⁴⁹⁷ All the top Mafia figures came: Genovese, Costello, Anastasia, Accardo, Marcello, even Lansky, a power though not really a member.⁴⁹⁸ It was the occasion for

Luciano to pass the power to Genovese, although the succession did not come to the attention of the authorities until 1949, when Costello, who had been acting boss of the family while Genovese was in Italy and in prison, hosted a dinner at the Copacabana in Manhattan. John F. Shanley, Deputy Chief Inspector of the New York Police Department, told⁴⁹⁹ the McClellan committee:

Vito was met at the door by Costello and he was ushered in and he sat at the best place and this spread through the city in no time, that Vito had emerged.

But Genovese was not satisfied. According to Valachi, he was angry that others, while he was in Italy, had been allowed "to sew up everything."⁵⁰⁰ It would take time, but Genovese was determined to take action against a number of his associates, including Costello, in an effort to enhance his position. First, however, he had a domestic problem to settle.

(4) The Return

(i) A Divorce

While Genovese was in Italy, Anna had run the Italian lottery for him, while living in luxury at 29 Washington Square West in Manhattan, one floor above the apartment of Eleanor Roosevelt.⁵⁰¹ When Genovese returned to the United States, he and Anna moved to a \$75,000 mansion on Skyline Drive in Atlantic Highlands, N.J., on which, Anna said, Genovese spent another \$350,000 for renovations and furnishings.⁵⁰² Although they "lived very high," as Anna would later testify, their marriage was hardly ideal.⁵⁰³ According to Anna, Genovese beat her to the point that she feared for her life, and he was involved with other women. In December 1952, Anna filed for divorce in Freehold, N.J., the Monmouth County seat.⁵⁰⁴ Anna's testimony at the hearing caused a sensation and

it provided an unusual insight into the lifestyle of an American gangster, whose fortune the Bureau of Narcotics would estimate in 1960 to be \$30 million.⁵⁰⁵ According to Anna, Genovese took in \$20,000 to \$30,000 a week from the Italian lottery. "I know,..." she said,⁵⁰⁶ "because I myself ran [it]...." Their house, she added, "had 24-carat gold and platinum dishes. Our silverware was the best money could buy."⁵⁰⁷ Their personal wardrobes were equally impressive, considering 1952 prices--a \$4,500 mink coat, \$250 suits and \$60 shoes.⁵⁰⁸ Genovese also had funds in hiding--at least \$500,000 in one safedeposit box in Switzerland.⁵⁰⁹ Yet between 1952 and 1956, Genovese declared between \$7,000 and \$15,000 in taxable annual income.⁵¹⁰ Though he denied all this wealth, the court ordered him to pay \$300 a week alimony and \$1,500 court costs.⁵¹¹ Thereafter, Genovese reverted to the ways of his early Mafia ancestors, foregoing the opulent style that was a hallmark of latter-day American gangsters. He rented a \$100-a-month bungalow at 68 West Highland Avenue in Atlantic Highlands; he drove a two-year-old Ford; and he reduced his wardrobe to not more than 10 suits, none of which cost more than \$100.⁵¹² On the dusty top of a dresser in his bedroom stood cheap plastic statues of saints. His children and eight grandchildren visited him frequently, and he personally cooked spaghetti for them.⁵¹³ He told⁵¹⁴ his neighbors he had to move "to pay the alimony." He told⁵¹⁵ his friends, "Forget the high living. It'll put you in jail if you are not careful."

Valachi recalled⁵¹⁶ the divorce proceedings: "Nobody could understand why Vito didn't do anything about her." Apparently, Genovese still had affection for Anna. "[W]hen we...were in [the Federal prison at] Atlanta,...he would sometimes talk about her, and I would see the

tears rolling down his cheeks," Valachi said.⁵¹⁷ "I couldn't believe it." Anna's associates were not so fortunate. On June 19, 1953, when Anna was about to be called before a New Jersey grand jury, Steven Franse, her partner in the 82 Club, a Greenwich Village night club, was found strangled.⁵¹⁸ It was, Valachi indicated,⁵¹⁹ a warning to Anna to keep quiet, and she took the hint. She told the grand jury that she knew nothing, and if she ever did, she had forgotten it.

(ii) A Rival

Frank Costello, who Genovese considered his principal rival, was having his own problems.⁵²⁰ He had been convicted of contempt of Congress as a result of his performance as a witness before the Kefauver committee. His appeals exhausted, he started serving an 18-month term on August 22, 1952, but with time off for good behavior he was released on October 29, 1953. In April 1954, Costello was back in court on an income tax evasion charge.⁵²¹ Internal Revenue agents had carefully compared his expenditures with his declared income and found a \$51,095 discrepancy over a four year period. With the testimony of 144 witnesses and 500 documents, the government was able to show an unexplained increase in Costello's net worth. The verdict was never in doubt, and after extensive appeals, Costello went back to prison on May 14, 1956.⁵²² He brought a new lawyer into his case, however--the noted defense counsel, Edward Bennett Williams of Washington, who entered a new appeal and got Costello out on bail, after he had served only 11 months of his five-year term.⁵²³ Immediately, Costello returned to his normal routine; mornings holding court at the Waldorf-Astoria; afternoons at the Biltmore steam room; and evenings dining out.⁵²⁴

(iii) The Costello Attempt

On May 2, 1957, Costello ate dinner at the fashionable Manhattan restaurant, L'Aiglon.⁵²⁵ At about 11 p.m., he returned to the Majestic Apartments at 115 Central Park West, where he maintained an apartment. As he entered the foyer, a fat, flabby-looking man in a dark suit with his hat pulled down shuffled past him. His hand came out of his pocket. It held a gun. "This is for you, Frank," he yelled.⁵²⁶ He then fired one shot point blank at Costello's head and fled. Wounded, but not seriously, Costello was rushed to Roosevelt Hospital.⁵²⁷ As he lay in bed, New York detectives inventoried the contents of his pockets. They found \$3,200 in cash and a cryptic note: "Gross Casino Win as of 4-27-57--\$651,284."⁵²⁸ District Attorney Frank Hogan's office, with the help of the Nevada Gambling Control Board and Aaron Kohn of the New Orleans Metropolitan Crime Commission, determined that the figure matched the house take at the New Tropicana Hotel in Las Vegas.⁵²⁹ Costello apparently had a hidden interest in a Nevada casino, despite the supposedly strict oversight by the state of Nevada of the ownership of its casinos. Costello declined to explain the note, nor was he helpful as to the identity of his would-be-assassin. "I didn't see nuthin'," he said.⁵³⁰ Asked why anyone would want to kill him, he replied, "I haven't an enemy in the world."⁵³¹ His assassin was, however, identified from a description the doorman provided: he was Vincent Gigante, a soldier in the Genovese family. Valachi later confirmed that Gigante had been given the contract on Costello by Genovese. He had practiced for the hit, Valachi said, in a Greenwich Village basement, though it apparently did little good.⁵³² Nevertheless, Costello testified at Gigante's trial that he had never

seen the man before, and Costello was acquitted.⁵³³ Costello took the hint and let it be known that he was retiring from the rackets. The final ruling on his tax case was handed down in October 1958; it went against Costello, despite the legal work of the famed Edward Bennett Williams.⁵³⁴ He returned to prison and was not released until June 1961. The government then made an effort to denaturalize and deport him. A spokesman⁵³⁵ for the Italian government aptly observed:

Italy should not be expected to carry the burden of a man who was born in Italy, lived here only a short time, and then spent most of his life in the United States. It's not blood that makes a man a criminal; it's society, and we definitely do not want to pay for such men.

The Supreme Court intervened in February 1961, and Costello was not deported.

On February 7, 1973, while sitting in his Central Park West apartment, Costello suffered a mild heart attack. He was hospitalized at Doctors Hospital on East End Avenue and 87th Street. Apparently, Costello thought he would recover, for he sent word through a friend that he would let Peter Maas, the writer, prepare his biography. At 7:30 a.m. on February 18, however, he suffered a fatal coronary.

(iv) The Anastasia Murder

As explanation for the assault on Costello to the rest of the underworld, Genovese let it be known that Costello had been talking to the government, a rationale that Albert Anastasia, for one, did not accept.⁵³⁶ No one was safe, Anastasia argued, if Genovese could order Costello's execution without the prior approval of the national commission.⁵³⁷ Anastasia's fears were well-founded.

At about 10:15 on the morning of October 25, 1957, Anastasia, accompanied by two bodyguards, strolled into the barber shop of the

Park-Sheraton Hotel at Seventh Avenue and 56th Street in Manhattan.⁵³⁸ He seated himself in chair number four, loosened his tie and closed his eyes for the last time. As his barber, Joseph Bocchino, covered his face with a hot towel, the bodyguards disappeared, and two other men walked in from the hotel lobby, strode up behind chair number four and fired .32 and .38 caliber bullets into Anastasia's head and body, literally blasting him out of the chair. The high executioner of Murder, Inc. had himself been executed.

Several independent sources purported to give inside information about the Anastasia murder. Sidney Slater, who operated a B-girl bar on East 55th Street for Joseph Gallo, an organized crime figure, told District Attorney Frank Hogan's office that shortly after it occurred, the murder became a running topic of conversation for Gallo and four of his henchmen. "From now on Sidney," Slater quoted Gallo as having said, "you can just call the five of us the barbershop quintet."⁵³⁹ Vincent Teresa, a soldier in the Mafia family of Raymond Patriarca of Providence, told Thomas Remner, his biographer, that while Gallo set up the murder, the actual killers were imported from Patriarca territory and that Gallo had received the contract from Anthony Strollo, Genovese's underboss.⁵⁴⁰ According to Teresa, both Carlo Gambino, Anastasia's underboss, and Carmine Lombardozzi, an Anastasia soldier, had been involved in the conspiracy. A slightly different version was provided by Peter Diapoulos, one of Gallo's bodyguards. He told an author, Steven Linakis,⁵⁴¹ that the contract came through Joseph Profaci to the Gallos (Joseph Gallo and his brothers), and they were "made," that is, formally accepted into La Cosa Nostra, as a result of the hit. Finally, according to Valachi, the murder was principally a Genovese-Gambino conspiracy for the sake of power.⁵⁴²

None of the versions was fundamentally inconsistent with another, and they all were in agreement that Genovese was ultimately responsible for Anastasia's death. It was evident, however, that they all reflected partial and superficial explanation of a complex event. Valachi's account, in particular, had to be seen as incomplete and distorted by an anti-Genovese bias. To be sure, Genovese's motivation could have been read as a simple thirst for power, but the involvement of other major figures -- Patriarca and, apparently, Santo Trafficante, Jr.--indicated that the murder of Anastasia had the support of others within the organization and was rooted in reasons that went beyond the personal ambitions of Genovese and Gambino. Those reasons would be learned, however, if for no other reason than Genovese would be called on to justify to the heads of the other Mafia families the killing of Anastasia. Anastasia's complaint, after all, was more pertinent than ever: no one was safe unless Genovese was required to follow proper procedure.

(v) The Apalachin Meeting

According to Robert Kennedy, when he testified before the McClellan committee in September 1963, the principal purpose of the Apalachin meeting in November 1957 was to permit Genovese to explain to the other leaders of La Cosa Nostra the assault on Costello and the murder of Anastasia.⁵⁴³ Genovese had wanted to hold the meeting in Chicago.

"Vito wanted to go to Chicago. Stefano Magaddino talked him into going to Apalachin. Vito never stopped beefing about it," Valachi told the committee.⁵⁴⁴ Genovese's case against Anastasia could not be based merely on "personal ambition." There had to be reasons that would command general support within La Cosa Nostra. According to Valachi,⁵⁴⁵

Anastasia was killed because he had been selling Cosa Nostra memberships to unfit applicants for up to \$40,000, when the "books were open" in 1954, after having been closed since 1931. This hardly seemed sufficient to warrant an unauthorized execution of a family boss, and it was a good illustration of Valachi's limited understanding of the Anastasia murder. Far more significant, it appeared, was Anastasia's attempt to move in on the gambling operations in Cuba, which belonged, in large measure, to Santo Trafficante. In fact, there apparently was a showdown meeting in Anastasia's suite at the Warwick Hotel on October 24, 1957. Trafficante, who was registered in the hotel as "B. Hill," checked out an hour or two after Anastasia was gunned down in the barber shop a few blocks away the next morning.⁵⁴⁶ Even Anastasia must have realized that there was too much at stake in Havana for it to be given up without a fight.

(vi) Havana Gambling

In 1957, there were two ways to reach Havana from the United States --by car or by air.⁵⁴⁷ By car, the traveller first felt the Cuban atmosphere at Key West, a bad translation, say the Cubans, of Cayo Hueso, which means "bone key." There, while still on U. S. soil, a Cuban customs inspector thoroughly went over the car. "There is a revolution in Cuba," he would say. "No guns; no ammunition! No explosives."⁵⁴⁸ Then, the car was carefully driven aboard a ferry that looked like a wartime LST for the trip to Havana. By air, the time was less than five hours from New York and inexpensive--\$180.80 round trip first class, \$137 tourist.⁵⁴⁹ Flight time from Miami was only about an hour, and the round trip was \$36 first class. By sea, the first glimpse of Cuba was the 350-year-old Castillo de los Tres Reyes del Morro, or

Morro Castle, imposing from where it stood on a point to the left of the narrow entrance to Havana Harbor. By air, the traveller's first close-up view, after scanning the white beaches and the city itself, was Rancho Boyeros International Airport, later renamed for Jose Marti, the hero of the revolution against Spain.

The visitor to the Cuba of Fulgencio Batista y Zaldivar, the onetime colonel who eventually made himself a president, was struck by the salubrious climate, a mean annual temperature of 76 degrees, and the beauty of Havana, although for those who looked beyond the sightseeing routes, there was grim poverty. Havana had three principal sections then: the old city, the densely settled subdivisions, and the suburbs.⁵⁵⁰ The old narrow streets of the business section of the city connected with the Avenida del Puerto, which, with a width varying from 50 to 125 feet, merged at the Prado (properly called the Pase de Marti) into the Malecon, or sea wall, a wide boulevard which skirted the sea and city, furnishing a colorful route extending well out into the western suburbs. At the point where the Prado intersected the Malecon, the genteel shabbiness of once magnificent homes continued westward until the newer and more fashionable Vedado section appeared. On a bluff where the city proper joined the Vedado, with the long sweep of the Malecon on one hand and the monument to the battleship, Maine, and the Parque del Maine on the other, stood the magnificent Hotel Nacional de Cuba, built in the late 1920s, with its deep-carpeted gaming room, the Casino Parisien. Beyond Vedado were the then newer and more pretentious suburbs, including Marianao. Marianao had its fine homes, its country clubs, the Yacht Club, Priental Park Race Track and the Tropicana, which was one of the largest and most elaborate night clubs

in the world.⁵⁵¹ There was another club of comparable size and splendor --the Sans Souci. Each featured spectacular stage presentations and full-scale casino gambling, with expensive chandeliers, brocade draperies, and a mink stole clientele. The estimated value to Cuba of tourism associated with the high life of the casinos in 1958, the last year before the success of the revolution, was \$60 million. The ugly reality behind the creation of these casinos, and others just as lavish, was an important episode in the annals of organized crime.

In 1937, Meyer Lansky had, according to Hank Messick, acquired the gambling concession in the Hotel Nacional. The war, however, interrupted business, as Messick noted in Silent Syndicate,⁵⁵² quoting Lansky: "We stopped when the war broke out because after that there weren't any boats,...[a]nd at that time you didn't have enough planes." "You can't live," Lansky added, "from the Cuban people themselves."⁵⁵³ When Batista returned to power in 1952, Lansky and his partners in crime were not far behind. On June 29, 1962, Angelo DeCarlo wistfully remembered for an FBI bug how it had been under Batista: "[T]he mob had a piece of every joint down there," he said. "There wasn't one joint they didn't have a piece of."⁵⁵⁴ Knowing the value of legalized gambling to a government willing to exploit it, Batista had changed the Cuban laws to attract the gambling industry and to create for himself a lucrative source of illicit income. In 1955, casino gambling was permitted in any nightclub or hotel worth \$1 million or more.⁵⁵⁵ The Cuban government agreed to match investment money or find Cuban organizations that would.⁵⁵⁶ The license fee would cost only \$25,000 plus 20 per cent of the profits. The word in the underworld was that the licenses in reality cost \$250,000 under the table to Batista and his

friends.⁵⁵⁷ Import duties, usually as high as 70 per cent, were waived on building materials, and pit bosses, stickmen, and dealers were made eligible for two-year instead of six-month visas.⁵⁵⁸ New casino hotel complexes sprang up. Lansky built the Hotel Havana Riviera on the Malecon for \$14 million,⁵⁵⁹ at least \$6 million of which was provided by government-controlled banks; Dino and Eddie Cellini, both organized crime figures from Ohio, ran the casino.⁵⁶⁰ Most of the \$24 million for the 630 room, 30 story Havana Hilton came from pension and welfare funds of Cuba's Cooks and Bartenders Union.⁵⁶¹ Beyond Havana, at Varo Daro Beach, the Hotel International was built. In addition, old casinos were taken over by organized crime figures. Jake Lansky, Meyer's brother, managed the gambling operations at the Hotel Nacional; whose principal owners were, in addition to Meyer Lansky, three syndicate gamblers from Cleveland, Morris Dalitz, Sam Tucker and Thomas J. McGinty.⁵⁶² Ernest Hemingway's daughter, Maria, described⁵⁶³ the Hotel Nacional as the "place for gambling" in Batista's Cuba. It had, she said:⁵⁶⁴

Plenty of bars, a staff that never changed and always remembered you, good music, first class entertainment, and that great terrace upstairs looking out to the gardens with their palms, the Malecon, the sea and the sky.

Santo Trafficante, Jr. owned substantial interests in the San Souci, a nightclub and casino where fellow-racketeer John Roselli had a management role; the Hotel Capri, in which Charles Tourine of the Genovese family also had a share, and where George Raft, the movie star, was a frequent visitor; the old Hotel Commodore; and the spanking new Havana Hilton.⁵⁶⁵ As for the Tropicana, where the lavish casino was as much a tourist attraction as the dancing-girl extravaganza, it was managed by Martin and Pedro Fox for Batista's brother-in-law, Roberto

Fernandez y Miranda, who also had a monopoly on the slot machines throughout Cuba.⁵⁶⁶

In terms of criminal activity, there was more to the casino operations in Havana than bribery for the purpose of obtaining licenses. The exact dimensions of the skim, that is, the theft of casino profits to avoid taxes, was not documented, but it could be at least partially inferred from one incident. In September 1958, Jake Lansky arrived in Miami from Cuba, where Customs thoroughly searched him, a departure from its usual routine, and found \$200,000 in cash and \$50,000 in checks. Lansky said the money was for deposit at the Bank of Miami. That explanation was appropriate enough for the checks, but the usual procedure was, as Hank Messick noted in Silent Syndicate, for the cash to flow the other way to replenish the bank at the casino, since patrons wanted to be paid off in dollars, not pesos. The inference was inescapable: the \$200,000 represented skim.⁵⁶⁷ In a report issued for 1958, the Cuban National Council of Economy noted that while 27,000 Cubans were employed in gambling, 5,000 lived by begging, and another 11,500 lived by or on prostitution.⁵⁶⁸ Havana, in short, was a full-service vice capital, owned and run by the mob, whose principal representative there was Santo Trafficante, Jr.

Santo Trafficante, Jr., born in Tampa, Fla., on November 14, 1914, was the namesake of a Mafia leader who had come from Sicily in 1904 and was described by the Kefauver committee as "a reputed leader in Tampa for more than 20 years."⁵⁶⁹ A sign that Tampa was a big-time Mafia city was the presence of two of the elder Trafficante's associates, Joseph Baglichi and Ignazio Italiano, at a meeting at the Hotel Statler in Cleveland on December 5, 1928. They were arrested in a police raid

along with 21 other prominent gangsters from across the country, including Pasquale Lolordo of Chicago, the president of the Unione Siciliana, and his associate, Giuseppa Giunta (Lolordo and Giunta were later murdered by Al Capone personally), and three of Luciano's lieutenants from New York, Joseph Magliocco, Joseph Profaci and Vincent Mangano. When Santo Trafficante, Sr., died on August 11, 1954⁵⁷⁰ Santo, Jr., one of six sons, succeeded to the leadership of the Tampa organized crime family, whose principal activities were narcotics trafficking and gambling, both casino gambling and bolita, a Cuban version of numbers.⁵⁷¹ He had been well-schooled. He had run the bolita for his father and had extended his own operation to Havana, where he acquired the Sans Souci from Gabriel Mannarino, an underworld figure from Pittsburgh.⁵⁷² Trafficante's status in organized crime was clearly recognized on June 4, 1955, at the marriage of Joseph Profaci's daughter, Carmella, to Anthony Tocco, the son of William Tocco, a Mafia leader in Detroit.⁵⁷³ The reception, at the Hotel Commodore in Manhattan, gave law enforcement an opportunity to observe the deference paid to Trafficante. Trafficante had, however, evidently cloaked his interests well. The Tampa police told the McClellan committee on October 15, 1963, that they knew of "no legitimate businesses owned or controlled by [him]."⁵⁷⁴ "His house, automobile, and all his other possessions," they said, "[were] held in the name of others."⁵⁷⁵ The Tampa police also described for the McClellan committee the record of gangland violence in Tampa since 1928.⁵⁷⁶ Of the 23 known slayings, only one had resulted in a conviction. In contrast, from 1958 through 1962, 228 other murders occurred, only four of which were not solved. Not everyone agreed with the picture of Trafficante that was painted for

the McClellan committee. His wife of 25 years, Josephine, told a Tampa Tribune reporter on October 16, 1963, that the testimony about organized crime in Tampa was "trash." Pressed on related matters, however, she conceded that her husband had "made quite a bit of money while he was in Havana."⁵⁷⁷ Allegedly retired, Trafficante himself, who divided his time between a large, comfortable home at 2505 Bristol Avenue, in Tampa, and a more modest concrete block bungalow at 523 N.E. 71st Street in Miami, was unavailable for comment.

When Castro's revolution triumphed in 1959, the mob lost a major source of its revenue. In Castro's view, gambling was not in keeping with the ideals of the revolution. Initially, he closed the casinos, as part of what Time called a "purification campaign."⁵⁷⁸ Then, faced with the unemployment of Cuban casino employees, he permitted them to reopen, if they would make good on seven weeks back pay. It was Castro's plan to permit the casinos to operate under mobster management for 60 days, until clean ownership could be established. But the tourist trade dried up, and honest casino owners could not be found. Time quoted a gambler who addressed Castro's dilemma: "Only gamblers can run casinos," he said. "You can't get a priest or a garage mechanic."⁵⁷⁹

(5) Narcotics

Another item on the agenda at Apalachin, apparently, was the continuing involvement of La Cosa Nostra in the narcotics traffic.⁵⁸⁰

According to Valachi, Frank Costello, during the Luciano-Genovese interregnum in 1948, forbade members from engaging in it.⁵⁸¹ Between the Costello edict and the Apalachin meeting, Congress had also passed legislation to meet the narcotics problem. The Boggs Act of 1951, sponsored by Representative Hale Boggs of Louisiana, provided for

mandatory penalties after a first conviction. The Boggs-Daniels Act of 1956, sponsored by Boggs and Senator Price Daniel of Texas, provided for stiff mandatory penalties for all narcotics convictions.⁵⁸² This legislation was of great concern to La Cosa Nostra, and one conclusion reached at the Apalachin meeting, or shortly thereafter, was that members would be forbidden from direct involvement in narcotics traffic, although financing and importation were permissible.⁵⁸³ In other words, dealing was to be "franchised" to non-Mafia groups--for example, blacks and Puerto Ricans. Other, more drastic measures--killing known narcotics agents--were considered and rejected. But, as Valachi noted, narcotics trafficking was too lucrative for self-policing by the underworld to work.⁵⁸⁴ Bureau of Narcotics Commissioner Henry L. Giordano told the McClellan committee in July 1964 of the consequences of the failure to implement the "no narcotics" rule.⁵⁸⁵ Since 1956, Giordano testified, the Bureau had, using undercover techniques, developed 20 major conspiracy cases against 206 prominent organized crime offenders. Nineteen per cent of the Genovese family, 40 percent of the Lucchese family and 20 percent of the Gambino family, or at least of those identified before the committee, were convicted on narcotics charges between 1956 and 1964.⁵⁸⁶

Vito Genovese himself was among those convicted.⁵⁸⁷ His 1959 narcotics prosecution resulted from the routine arrest and conviction of Nelson Silva Cantellops, a Puerto Rican dealer in Upper Manhattan, for a narcotics sale to an undercover officer.⁵⁸⁸ Faced with a possible life term, Cantellops agreed to testify against 16 co-conspirators, Genovese among them, who stood trial for the importation, sale, and delivery of narcotics. The trial lasted three months in Manhattan Federal court.

The testimony filled 6,700 pages of transcripts. Cantellops, though a minor figure in the ring, was the principal witness against Genovese. He was on the stand for 19 grueling days. Judge Alexander Bick had to order from the courtroom hecklers who made threatening gestures at Cantellops. He could not do anything about the midnight calls to his wife: "We'll get Cantellops. We'll get you 'n' the kids too."⁵⁸⁹ Despite the harassment and guided by the careful questioning of Assistant U. S. Attorney Arthur H. Christy, Cantellops identified Genovese as the man who had directed the ring's activities. The jury believed Cantellops, and Genovese was sentenced to 20 years. Genovese later told a fellow inmate at Leavenworth: it was "a bum rap." "I wouldn't have minded if they got me on income tax evasion because that would be fair."⁵⁹⁰ Ralph Salerno, the organized crime expert, agreed, terming Cantellops's testimony "almost unbelievable."⁵⁹¹ Genovese challenged his conviction, securing the services of Edward Bennett Williams, but it was affirmed on appeal. Having been transferred from the Federal prison at Leavenworth, Genovese died on February 14, 1969.⁵⁹² As for Cantellops, he was slain in a barroom brawl in 1965.⁵⁹³

J. The Organized Crime Program: 1957-1963

Within days of the Apalachin meeting, the FBI established what it termed its Top Hoodlum Program. Selected field offices around the country were required to collect intelligence on the Apalachin attendees.⁵⁹⁴ Under the Kennedys, the effort was expanded, and electronic surveillance was made the mainstay of the program.⁵⁹⁵ On June 29, 1962, the FBI sent to the Department of Justice a summary

report entitled, "The Criminal Commission," which documented the structure of organized crime nationwide. From there on, the report was updated every six months.

1. The Commission

The FBI identified the commissione or commission, established by Luciano in the 1930s, as the highest ruling body of La Cosa Nostra, which was composed exclusively of individuals of Italian birth or extraction. The powers of the commission--its authority, for example, to overrule individual family bosses--was discussed within earshot of the FBI on September 21, 1964, by Sam DeCavalcante and Joseph Zicarelli, a member of the Bonanno family.⁵⁹⁶ The DeCavalcante-Zicarelli conversation is illustrative of the intelligence obtained by the FBI in the surveillance program on the internal politics of La Cosa Nostra:

DeCavalcante: The commission was formed by people--all bosses--who have given the commission the right to supersede any boss. Joe [Bonanno] knows that! He made the rules! ... [H]e tried to move in California. The commission chased him out of California. ... They were trying to take over DeSimone's [Los Angeles] outfit.

DeCavalcante explained to Zicarelli the commission's power over Bonanno by citing precedent:⁵⁹⁷

The commission went in there and took the family over. When [Joseph] Profaci died [June 5, 1962], Joe Magliocco [Profaci's underboss] took over as boss. They threw him right out! "Who the hell are you to take over a borgata?"And Signor Bonanno knows this. When we had trouble in our outfit, they came right in, "You people belong to the commission until this is straightened out." They done the same thing in Pittsburgh, they made the boss John...uh...

Zicarelli: LaRocca.

DeCavalcante: LaRocca...step down.

Zicarelli: He's no more boss?

DeCavalcante: [I]t's all straightened out now. But Joe Bonanno was in on that deal. They made LaRocca take orders from the commission until everything was straightened out.

In 1963,⁵⁹⁸ the membership of the Commission included Gerardo Catena (the underboss who took over for Vito Genovese when he went to prison), Thomas Lucchese, Carlo Gambino and Joseph Bonanno of New York City, as well as Sam Giancana of Chicago, Joseph Zerilli of Detroit, Stefano Magadinno of Buffalo, and Angelo Bruno of Philadelphia. The members of the commission were called representanti or bosses. The bosses settled disputes between members in an arguimendo, or sit down. Angelo Bruno reviewed the practice for Sam DeCavalcante in February 11, 1962:⁵⁹⁹

Bruno: Sam, look, Sam. Lets say this thing [a disputed gambling debt] goes to arguimendo, which I don't want it to go.

DeCavalcante: I don't either.

Bruno: I don't want it to go you understand. If it goes to arguimendo, I have to represent [the alleged debtor] whether I want to or not.... Now if we go to their arguimendo, you understand, and your representandos [DeCavalcante was not a boss in 1963] is there and I'm there and lets say a few other representandos are there....

2. Families

Individual groups were called families of a borgata or brugad. A boss of a family was also called a capo. Under him, was an underboss or sottocapo, the second in command. A lateral position, usually an elder statesman or advisor, available for consultation to any member, was a consiglieri or consulieri or a counselor. The terminology was illustrated by a conversation that was overheard on August 31, 1964,

between DeCavalcante and Joseph Sferra, a caporegima in the DeCavalcante family and a business agent of Local 394, Laborers International Union, Elizabeth, N.J.:

DeCavalcante: It's about Joe Bonanno's borgata.
The Commission don't like the way he comporting himself.

Sferra: The way he conducting himself, you mean?

DeCavalcante: Well, he made his son consigliere -- and it's been reported, the son, that he don't show up [when the commission asked to see him.]

3. Regime

Each family was divided into subgroups or regime which were headed by capodecine or caporegime or captains. On June 4, 1965,⁶⁰⁰ DeCavalcante told Louis Larasso, a caporegima, that he was removing Joseph Sferra "from everything."

Larasso: Are you taking him off caporegima, too?

DeCavalcante: Yeah.

Capodecina literally means head of 10. Apparently, in the beginning, that was the intended number for each subgroup.

4. Soldiers

Individual members of each subgroup were known as soldati, or soldiers, or buttonmen. Sam DeCavalcante, Anthony Boiardo and Angelo DeCarlo enlightened the FBI even more in another conversation sometime in the early 1960s:⁶⁰¹

Boiardo: My father said you must be made [inducted into La Cosa Nostra] 25 years ago.

DeCavalcante: No. Twenty years. About the same time as you.

DeCarlo: Around 1945.

Boiardo: You were made with the "Blade" [Charles Tourine] weren't you?

DeCavalcante: No....[I] was made before the Blade. Two or three years before the Blade....Jerry

[Catena]...was made six months before me.
...When they made me they made me in Italian.
They all spoke Italian.

5. Membership

The membership of La Cosa Nostra in 1963 was estimated to be between 4,000 and 5,000, with 50 per cent of it based in the New York metropolitan area.⁶⁰² In all,⁶⁰³ there were thought to be 24 families: In New York City, there were five families, Genovese (600 members); Lucchese (150 members); Gambino (1,000 members); Bonanno (400 members); and Profaci (200 members). In Philadelphia, one family: Bruno (200 members). In Chicago, one family: Giancana (300 members). In Buffalo, one family: Magaddino (300 members). In Detroit, one family: Zerilli (250 members). In Newark, N.J., one family: DeCavalcante (40 members). In Milwaukee, one family: Frank Balistrieri (50 members). In San Jose, one family: Joseph Cerrito (30 members). In Kansas City, one family: Nicholas Civella (75 members). In Denver, one family: Jones Colletti (40 members). In San Francisco, one family: James Lanza (12 members). In Pittsburgh, one family: Sebastian John LaRocca (50 members). In Los Angeles, one family: Frank DeSimone (75 members). In New Orleans, one family: Carlos Marcello (50 members). In New England, one family: Raymond Patriarca (150 members). In Cleveland, one family: John Scalish (150 members). In St. Louis, one family: Anthony Giordano (35 members). In Scranton, Pa., one family: Russell Bufalino (50 members). In Tampa, one family: Santo Trafficante (75 members). In Dallas, one family: Joseph Civello (25 members).

6. Status

The various families were not equal in wealth, power, or status. Some were small and more or less ineffective. Others were largely

satellites of more important families. The Milwaukee family was, for example, dominated by the Chicago family. On the other hand, some families had a measure of independence from the commission, as Joseph Columbo was to explain to family members on December 4, 1968, again, as the FBI listened. New Orleans was, he said, the first Cosa Nostra family in the United States; it was set up by members from Sicily. As such, it had special privileges. It did not have to submit to the commission on various matters, including membership approval.

In 1963, it was an undeniable fact that the national structure forged by Luciano in 1931 had meant, throughout most of the country and even for the less important groups, leadership stability, and because of that stability, the amassing of wealth and power. New York, with its five families and violent struggle for control, was the exception, not the rule. In Cleveland, leadership had passed easily from Frank Milano,⁶⁰⁴ who retired to Mexico, to John Scalish,⁶⁰⁵ as the Mayfield Road mob was merged into La Cosa Nostra.⁶⁰⁶ But the best example of power consolidation with a minimum of bloodletting was set by the Zerilli family in Detroit.⁶⁰⁷ Joseph Zerilli and William Tocco, his brother-in-law, both of whose families were from the Terrasini Province of Sicily, formed an alliance with Joseph Profaci following World War I. It was cemented by marriages between Profaci's daughters and Zerilli's son, Anthony and Tocco's son, also named Anthony. Zerilli's group, known as the East Side Gang, was involved in a variety of legal and illegal activities, including bootlegging. A Jewish group, the Purple Gang, operated in the northwestern part of the city, at first preying on Jewish shopkeepers (hence they were tainted, or "purple"), but subsequently turning to labor racketeering and then to rum running. By

the end of 1930, the Purple Gang had been run out of town, and since Zerilli was able to consolidate his power over the various Sicilian and Italian factions, a state of relative peace was achieved. The effect of the peace brought on by Zerilli's control was demonstrated⁶⁰⁸ statistically in 1963 to the McClellan committee: from 1917 to 1930, there were 135 gangland slayings in Detroit, while from 1931 to 1962, there were only 38. As Prohibition ended, the Zerilli family moved into gambling, primarily the numbers racket, and in 1931, Zerilli took his place on the national Commission.

7. The Kennedy Administration

During the years of the Kennedy Administration, organized crime figures did voice many complaints, some quite threatening, against law enforcement officers, FBI agents, in particular.⁶⁰⁹ Occasionally, J. Edgar Hoover himself was the target of a mobster's wrath. The real anger, however--the most vituperative language to be picked up on the bugs--was reserved for the Kennedys, in particular Attorney General Robert F. Kennedy. Men who had been largely secure in their positions of power and wealth were finding themselves investigated, indicted, and convicted as they never had before. For almost 30 years--since the racket-busting days of Thomas Dewey--they had been virtually immune to the processes of law.

a. The President

On February 9, 1962, Angelo Bruno and William Weisburg, a Bruno associate, discussed the Kennedys in a lengthy conversation that reflected frustration and bitterness, but also caution on the part of the Mafia leadership:⁶¹⁰

Weisburg: See what Kennedy done. With Kennedy, a guy should take a knife, like one of

them other guys, and stab and fill the f____r, where he is now. Somebody should kill the f____r, I mean it. This is true. Honest to God. It's about time to go. But I tell you something. I hope I get a week's notice. I'll kill. Right in the White House. Somebody's got to get rid of this f____r.

Bruno, however, counseled caution: 611

Bruno: Look, Willie, do you see there was a king, do you understand. And he found out that everybody was saying that he was a bad king. This is an old Italian story. So, there was an old wise woman about 140 years old. So, he figured. Let me go talk to the old wise woman. She knows everything. So he went to the old wise woman. So he says to her. I came here because I want your opinion. He says, do you think I'm a bad king. She says, no, I think you are a good king. He says, well how come everybody says I'm a bad king? She says because they are stupid. They don't know. He says well how come, why do you say I'm a good king. Well she said, I knew your great grandfather. He was a bad king. I knew your grandfather. He was worse. I knew your father. He was worse than them. You, you are worse than all of them, but your son, if you die, your son is going to be worse than you. So it's better to be with you. (All laugh) So Brownell [former Attorney General] was bad. He was no f____g good. He was this and that.

Weisburg: Do you know what this man is going to do? He ain't going to leave nobody alone.

Bruno: I know he ain't. But you see, everybody in there was bad. The other guy was good because the other guy was worse. Do you understand? Brownell came. He was no good. He was worse than the guy before.

Weisburg: Not like this one.

Bruno: Not like this one. This one is worse. Right? If something happens to this guy. (Laughs.)

Weisburg: Let me tell you something. The FBI always hated the IRS. Always. The IRS never checked with the Treasury men. They went separate ways. They wouldn't give each other information. They wanted credit themselves.

He made it with local authorities. He made it ring-around-the-rosey, pal.

Bruno: Oh yeah. This guy is an accountant, see. So now, he had to do something worse. So what? He started to think, what can I do more than the other guy. The other guy made an anti-racketeering law, gambling laws, he did this and he did that. What can I do, he says, I know what I can do. Anybody that has a record that is police property, when he gets pinched, no bail. [Bruno then compares the Italian process of not allowing bail and incarcerating individuals until proven innocent.]

Weisburg: It's still America, though.

Bruno: So, it's still America. They are trying to pass a Federal law that you can't take the fifth (amendment). When they grant you immunity you can't take the fifth.

Weisburg: They are not going to pass that law.

Bruno: But they might.

Slowly, however, the attitude of caution changed. On May 2, 1962, Michael Clemente, a caporegima in the Genovese family, was heard to say:⁶¹²

Bob Kennedy won't stop today until he puts us all in jail all over the country. Until the Commission meets and puts its foot down, things will be at a standstill.

As evidence of the building pressure, there was an unheard-of development--an outbreak of hostility between the Mafia and the FBI.

b. The Lombardozzi Funeral

On April 3, 1963, Carmelo Lombardozzi, the father of Carmine Lombardozzi, a caporegima in the family of Carlo Gambino, was buried from Immaculate Heart of Mary Church in Brooklyn.⁶¹³ Law enforcement officers covered the wake and requiem mass for intelligence purposes. As the funeral cortege entered the church, several young men, who were among the mourners, assaulted Special Agent John P. Foley, who had a

camera. Foley was badly beaten and his service revolver was stolen.⁶¹⁴
The assault caused deep concern at the FBI. On April 30, 1963, Associate Director Courtney Evans wrote to Associate Director Alan Belmont that, in his opinion, general permission to retaliate against law enforcement officers had not yet been given by the organized crime leadership. He noted, however, that Sam Giancana was watching the reaction to the incident and "would be guided accordingly...."⁶¹⁵ As for FBI agents at the street level, there was no indication in the files that they were seeking permission to avenge the assault on Foley directly, but they did begin a series of interviews designed, apparently, to intimidate members of the Gambino organization, and on one occasion, a member of the Lombardozzi group was beaten up and dumped in an ash can. In May 1963, two of Gambino's men, Michael Scandifia, a member, and Peter Ferrara, a caporegima, were overheard by a bug that had been installed under order from the New York County Court. FBI agents had interviewed Ferrara and intimated that they would interview his daughter, a Catholic nun, unless appropriate amends were made for the Foley assault.⁶¹⁶

Scandifia: They don't want to give you no...in other words they are telling you they don't want to embarrass you. In other words, they won't go to the convent. Well, I would say, right now they are giving you the zing. You want us to go to the convent? You want us to embarrass you? Well then, see that the right thing is done.

Ferrara: Yeah.

Of far more significance, however, was the reaction of various family bosses to acts of physical retaliation that apparently were taken by the FBI agents. On May 20, 1963, Angelo Bruno discussed the incident with several men at his Penn Jersey vending company in Philadelphia. He

quoted one FBI agent as having asked an associate of Carmine Lombardozzi:⁶¹⁷

Did you change the laws in your family, that you could hit FBI men, punch and kick them? Well, this is the test, and if you change the laws and now you are going to hit FBI men, every time we pick up one of your people we are going to break their head for them.

Bruno then related that they had in fact picked up one man:⁶¹⁸

They almost killed him, the FBI. They don't do that you know. But they picked up one of his fellows and they crippled him. They said, "This is an example. Now the next time anybody lays a hand on an FBI man, that's just a warning. There is nothing else we got to tell you."

Similarly, on June 6, 1963, Stefano Magaddino discussed the incident with several of his men at his funeral home in Niagara Falls:⁶¹⁹

Here, we...are situated with this Administration.... We got from the President down--against us. ... But we got to resist. Today. You see this table? (Magaddino can be heard hitting the table.) You have to do something material. Give someone the shaft and....

They know everybody's name. They know who is boss. They know who the commission consists of.

.

They beat up Carmine plenty. When his father died....When they beat up that FBI. ... So after the beating...[the FBI] said to him, "We are even now. If you o hers continue to do the same thing again, we will change our methods with you pe ple!"

c. Joseph Valachi

On June 22, 1962, Joseph Valachi, then a prisoner in the Federal Penitentiary in Atlanta, seized a two-foot length of iron pipe, rushed a fellow inmate, John Saupp, and beat him to death.⁶²⁰ Valachi, it turned out, believed that the man he had killed was Josehp DiPalermo, who had

been, Valachi thought, ordered by Vito Genovese, then in prison with Valachi, to kill him.⁶²¹ The murder precipitated Valachi's break with La Coas Nostra and the chain of events that led to his public testimony on the structure of organized crime in America.⁶²² Valachi's decision to cooperate was not made public at the time, yet it was not long before members of the Mafia were discussing it. On April 23, 1963, for example, Angelo DeCarlo had a discussion with a man named Barney:⁶²³

Barney: [T]he thing they talk about today. Somebody must talk because they could never know these things. They know who's boss, underboss, the commission, the caporegimas [sic] They talk like that--amico nos [friend of ours] And you can't do nothing about it.

DeCarlo: And oh, the other guy. In New York. What's his name. That was in the car with Vito.

Barney: Joe Cago (Valachi's nickname).

DeCarlo: I hear he's talking like a bastard. ... He must have known something about this thing?

Barney: He knows about things from 35 years ago.

Once Valachi had begun to testify, the anger mounted. On September 17, 1963, Magaddino commented, "We passed laws that this guy has got to die."⁶²⁴ On October 24, 1963, however, an unidentified male, in a conversation with the wife of a Bruno associate summed it all up for his brethren:⁶²⁵

The hearing is all political, instigated by Robert Kennedy. They're murdering the Italian name.

The reactions of organized crime figures were not limited to expressions of anger against Valachi or Robert Kennedy. Members in New York developed a strategy to discredit Valachi's testimony by suggesting he was insane, citing a history of mental illness in his family.

Efforts were also made to plant other unfavorable stories with compromised members of the press,⁶²⁶ including a Pulitzer Prize-winning reporter, who had been set up with a prostitute. At the conclusion of the hearings, FBI Director Hoover got right to the point in a phone call to Senator McClellan. The hearings had, Hoover said, "shook...[the mob] up."⁶²⁷

d. Carlos Marcello

(1) Rise to Power

Carlos Marcello, the Cosa Nostra boss in New Orleans, was familiar with congressional investigations. He had been a witness before the Kefauver committee in 1951, as well as before the McClellan committee in 1959, when its investigation of labor racketeering was directed by Chief Counsel Robert F. Kennedy.⁶²⁸ Marcello beat a contempt charge that grew out of his Kefauver appearance; his claim of possible self-incrimination was not challenged in court by the McClellan committee. Undoubtedly, Marcello had learned to live with the adverse publicity generated by such investigations. The advent of the Kennedy Administration in 1961, however, threatened much more.

Marcello was erroneously identified by the Kefauver committee as the head of organized crime in New Orleans.⁶²⁹ In fact, the leader in New Orleans in 1951 was Sam Carolla,⁶³⁰ who had, in 1922, succeeded Charles Montranga, the boss who survived the 1891 lynching that followed the Mafia murder of Police Chief David C. Hennessey. Carolla, an eight-year-old Sicilian immigrant in 1904, at 22 was one of Montranga's key lieutenants in the operation of the French Market in New Orleans. With the coming of Prohibition in 1919, Carolla turned to rum running, but in 1923, the year following his elevation to boss, he was convicted

in federal court of alcohol theft and sentenced to two years in prison. Returning to New Orleans in 1925, he made an effort over the next five years to consolidate his power, personally shotgunning, in 1930, his chief rival for control of the illicit liquor traffic, William Bailey.⁶³¹ In 1931, despite efforts of New Orleans police officers to provide the defendants with a rigged alibi, Carolla and Frank Tedaro, one of his caporegime, were tried and convicted for wounding a federal agent, Cecil Moore, in a gun fight.⁶³² Sentenced to two years, Carolla entered prison in 1932 and was released in 1934. Meanwhile, Frank Costello and Senator Huey P. Long had arranged for Costello to move his slot machines to Louisiana, after Mayor-elect Fiorello La Guardia had vowed to have them removed from New York City.⁶³³ Carolla not only gave his blessing to the enterprise, but he also lent to it the services of a young soldier who himself had just been released from Angola State Prison after serving four years for "masterminding" a grocery store robbery by two teenagers.⁶³⁴ At 22, Carlos Marcello was beginning his climb to the top.

1947 was a significant year, for both Carolla and Marcello. It was the year Carolla, along with Costello and Meyer Lansky, expanded the gambling operation to include a race wire service and several plush casinos, as well as slot machines.⁶³⁵ Marcello represented the New Orleans family in the expanded enterprise. It was also the year the government succeeded in deporting Carolla to Sicily, despite efforts by a Louisiana Congressman, James Morrison, to have private immigration bills passed to grant Carolla citizenship.⁶³⁶ Syndicated columnist Drew Pearson exposed the scheme, and the bills were defeated. Although Carolla returned illegally to the United States on two occasions (he died in New Orleans in 1972), his power passed to Marcello.

(2) Wealth

By 1963, Carlos Marcello was one of the wealthiest men in Louisiana, as well as the head of the New Orleans organized crime family.⁶³⁷ His ventures, according to the Metropolitan Crime Commission, were grossing many millions annually: \$500 million from illegal gambling; \$100 million from illegal activities in over 1,500 syndicate-connected bars; \$8 million from professional burglaries and hold-ups; \$6 million from prostitution; and \$400 million from diverse "legitimate investment" in the fields of transportation, finance, housing and service.⁶³⁸ Marcello claimed he only earned "a salary of about \$1,600 a month" as a tomato salesman, although he did acknowledge making certain "land investments." He explained the reports of his great wealth to crime reporter Michael Dorman:⁶³⁹

People take one little piece of true information, twist it around, add a lot of bullshit and come up with charges that don't even resemble the truth.

In 1967, however, Life estimated his personal worth at \$40 million. Beyond his interest in numerous illegal endeavors, he owned motels, a juke box and vending machine company, a sightseeing bus line, and a 6,500 acre, \$22 million estate, Churchill Farms, just outside New Orleans in Jefferson Parish. Much of what Marcello owned, however, he concealed by putting the property in the names of close relatives. His son, Joseph, for example, owned The Town and Country Motel;⁶⁴⁰ his brother, Peter, a caporegima in his La Cosa Nostra family, held a striptease joint, the Sho-Bar, located on Bourbon Street in the French Quarter.⁶⁴¹ It was typical of Marcello to act through others, to avoid trouble with the authorities, as he did by sending his brother, Joseph, the family underboss, to the Apalachin meeting in 1957.⁶⁴²

action to deport...Marcello...[whose] final order...[had] been entered...but...[was] being held in strictest confidence."⁶⁴⁷ Marcello did not learn of the order until April 4, 1961, when he came in to the INS office in New Orleans for his regular quarterly appointment as an alien.⁶⁴⁸ He was arrested, handcuffed and, sirens blaring, taken to the Moisant International Airport, where a United States Border Patrol aircraft was waiting with its engines warmed up.⁶⁴⁹ Marcello later said, "you would have thought it was the President coming in instead of me going out."⁶⁵⁰ Marcello was flown 1,200 miles to Guatemala City and dumped there, without luggage and with little cash.⁶⁵¹ He quickly regained his composure, however, and soon was installed in a plush suite at the Biltmore Hotel, as his brothers flew in cash and clothes.⁶⁵² But when his presence in Guatemala caused a political scandal, President Miguel Ydigoras Fuentes ordered him expelled.⁶⁵³ Along with a lawyer who had come to help him, Michael Maroun of Shreveport, La., Marcello was unceremoniously flown to an out-of-the-way village in the jungle of El Salvador, where they were left stranded. Salvadorian soldiers jailed and interrogated Marcello and Maroun for five days, then put them on a bus and took them 20 miles into the mountains, where they were again left to fend for themselves.⁶⁵⁴ Eight hours and 17 miles later, they reached a village; they were hardly prepared for the mountain hike, as they were dressed in silk shantung suits and alligator shoes, and Marcello, a portly five-foot-two, fainted three times.⁶⁵⁵ In the village, they hired muchachos to lead them to an airport, but became fearful that their guides had robbery and murder in mind, so they took the first opportunity to flee into the jungle.⁶⁵⁶ During the downhill flight, Marcello fell and broke two ribs. Eventually, they found their

way to a small coastal town. From there, according to Marcello, they flew by commercial airline to Miami, where Marcello illegally re-entered the United States. A conversation subsequently picked up on a wiretap indicated that he was in fact flown back in a Dominican Republic Air Force plane. On June 3, 1961, Marcello's lawyers acknowledged that he had returned to the United States, was in hiding, but he could be produced in court if necessary.⁶⁵⁷

On April 5, 1961, Attorney General Kennedy, publicly acknowledged that Marcello had been summarily flown out of the country and took responsibility for the deportation, contending it "was in strict accordance with the law."⁶⁵⁸ Kennedy was quoted as saying he was "very happy Carlos Marcello...[was] no longer with us," but added that if he had been on the scene and personally handling the matter he "would have used different steps."⁶⁵⁹ In fact, while he knew that the deportation was going to take place, Kennedy was apparently not aware beforehand of the manner of the deportation, since it had been the responsibility of General Swing.⁶⁶⁰ Marcello's ouster to Guatemala was upheld in subsequent legal proceedings. Nevertheless, Marcello was deeply offended. He subsequently appeared in executive session before the House Senate Committee on Assassinations on January 11, 1978.⁶⁶¹ Generally, his answers were in monosyllables, but when the subject of his deportation came up, the atmosphere in the hearing chamber became tense. An emotionless man showed fire in his eyes and resentment in the tone of his voice. He animatedly told the Committee: "[T]wo marshals put the handcuffs on me and they told me that I was being kidnapped and being brought to Guatemala...and in thirty minutes...I was in the plane....[T]hey dumped me off in Guatemala, and I asked them, let me use

the phone to call my wife, let me get my clothes, something they would hear about....They just snatched me, and that is it, actually kidnapped me!"⁶⁶² Where Marcello fixed the responsibility for his deportation was made explicit. "[Kennedy] said...he would see that I be deported just as soon as he got in office. Well, he got in office January 20,...and April the 4th he deported me."⁶⁶³ Marcello made an effort to deny, however, that he held a grudge toward Kennedy. "[H]e just done what he thought was right, I guess," he said, noting that he still thought it was "unfair."⁶⁶⁴

(4) Trial

Marcello's troubles with the Kennedy Administration were only just beginning with his forced march through Central America. On April 10, 1961, six days after the deportation, the Internal Revenue Service filed a \$835,396 tax lien against him and his wife.⁶⁶⁵ On June 8, 1961, six days after his attorneys announced he had returned, a federal grand jury in New Orleans indicted him for illegal entry.⁶⁶⁶ Four months later, Attorney General Kennedy himself announced that the Federal grand jury in New Orleans had indicted him for conspiracy to defraud the United States in connection with the false Guatemalan birth certificate.⁶⁶⁷ Marcello, meanwhile, had sued to have a 1938 drug conviction set aside; he had been accused at the time of being a member of "the biggest marijuana ring in New Orleans history."⁶⁶⁹ On October 31, 1962, his suit was rejected, thus rendering his chances of remaining a resident of the United States all the more tenuous, since he needed to have his conviction set aside to block another deportation.⁶⁷⁰

On November 4, 1963, Marcello went on trial in New Orleans on criminal charges in connection with the false Guatemalan birth

certificate; he was acquitted on November 22, 1963.⁶⁷¹ News of President Kennedy's assassination reached the courtroom only shortly before the verdict was returned. On October 6, 1964, Marcello was indicted for jury bribing in connection with the November 1963 verdict.⁶⁷² The indictment also charged obstruction of justice, in that Marcello had plotted the murder of the principal witness against him, Carl Noll. Subsequently, Marcello was acquitted of the bribery charge, and the obstruction of justice charge was dropped when Noll refused to testify against him.⁶⁷³

e. Sam Giancana

On October 10, 1963, Sam Giancana, the family boss in Chicago, was overheard by the FBI in conversation with Charles English, an associate, at the Armory Lounge in Forest Park, Ill.⁶⁷⁴ Valachi could not, they thought, hurt the Chicago organization, but he was doing great harm to the New York members. Like Marcello, however, Giancana was by no means free of pressure from the Kennedy Administration. In fact, Giancana was one of the principal targets of the organized crime drive because of his position in Chicago, a position that had been won over a long period by an aggressive nature and raw violence.

(1) Background

It was 1905 when Antonio Giancana, 24, arrived at Polk Street Station, Chicago, without his 19-year-old wife, Lena, who was not to come to the United States until the end of 1906.⁶⁷⁵ He had been a street peddler in the Sicilian town of Castelvetro; he would be a street peddler in Chicago. In Sicily, there had been poverty, but at least the air was clean, and the sun bright and warm. Chicago was dirty with soot and smoke, the sky was gray, and it was often cold, damp, and

windy. The area of tenements into which the new immigrants crowded was ultimately to be called Little Italy or Little Sicily, though sometimes Little Hell, The Valley, or The Patch.⁶⁷⁶ Antonio and Lena at first lived in a walk-up flat at 223 South Aberdeen, an area west of Chicago's Loop that in 1906 was heavily Irish.⁶⁷⁷ At that time, few Italians lived west of Halsted Street; they were concentrated between Taylor to the south and Mather to the north. On May 24, 1908, Lena gave birth to her first son, who was named Salvatore, and shortly thereafter, the family moved to 1127 West Van Buren Street, also an Irish area at the time, but one which was to become an Italian neighborhood, as it expanded northward from Taylor, the main street of The Patch.⁶⁷⁸ By 1925, Salvatore, then known as "Sam" or "Mooney," lived at 1422 West Taylor Street and was a member of a street gang that called themselves the "42's."⁶⁷⁹ Like Valachi in New York, Giancana in Chicago took pride in his ability as a "wheelman." His first arrest and conviction came in September of that year--for auto theft.⁶⁸⁰ Before he was 20, he had been arrested and rearrested in three murder investigations, one of which was for the killing of an eyewitness in a pending robbery case against Giancana, another for the killing of Octavius Granady, a black who sought election as a committeeman in Little Italy's 20th Ward.⁶⁸¹ By 1963, Giancana had been arrested 60 times, and he had served time, not only for auto theft, but for burglary and moonshining.⁶⁸²

In November 1928, Giancana was arrested for an attempted burglary of a clothing store.⁶⁸³ Caught red-handed, he pled guilty and was sentenced to one to five years in the state penitentiary at Joliet. He was not released until Christmas Eve 1932.⁶⁸⁴ It was then that he came to the attention of a slow-talking Neapolitan named Felice DeLucia, who

had acquired the name Paul "The Waiter" Ricca from his work at the Bella Napoli Cafe, 850 South Halsted, the base of operations of Joseph Esposito, one of Chicago's most notorious and powerful beer runners.⁶⁸⁵ DeLucia had also worked for the Genna brothers (Sam, Angelo, Peter, Anthony and James, all vicious killers and bootleggers who were allied with Al Capone) and finally for Capone himself. It was to DeLucia that the mantle of leadership fell when Capone went to prison on May 4, 1932, confirmed in an April meeting with Charles Luciano in the Congress Hotel in Chicago. When Giancana became DeLucia's chauffeur, it was the beginning of his rise to the top.

Giancana's career was momentarily interrupted when, in May 1939, he received a four-year term in the Federal prison at Leavenworth, Kansas, for moonshining.⁶⁸⁶ He had been caught in a barn in Elgin, Illinois, with 8,800 gallons of mash, 1,000 gallons of alcohol, and 1,000 gallons of noncolored spirits. Giancana had been in Leavenworth for only two months when he was transferred to the Federal facility at Terre Haute, Indiana. There, he was tested psychologically, scoring 74 verbal and 93 non-verbal. It was also there he went to school--not to obtain "book learning," but to be introduced to the world of policy. His teacher was Edward Jones, a black racketeer, who had run policy in Chicago, but who had been sentenced to 22 months for income tax evasion. For Giancana, it was a whole new vista--not "nickel and dime," but involving a cash flow of thousands of dollars. When he was released from prison on December 12, 1942, he had learned his lessons well.⁶⁸⁷

With a criminal record and a family (he had married in 1933 and by 1942 had two children, Antoinette and Bonita Lucille), Giancana had little to fear from the draft.⁶⁸⁸ Nevertheless, he registered at Board

39, 2312 West Harrison Street, and was interviewed. The interviewer wrote on Giancana's 4-F exemption form that "he was a constitutional psychopath with an inadequate personality manifested by strong anti-social trends."⁶⁸⁹ He returned to his old pursuits, but his mentor, DeLucia, was himself in prison in 1944, having been convicted of extortion in the famous motion picture industry case in 1943.⁶⁹⁰

(2) Motion Picture Extortion Trial

Prohibition had come to an end and the old Capone organization was looking for new fields of endeavor, and so, the Capone mob moved in on the International Alliance of Theatrical Stage Employees. Willie Bioff, a small-time panderer, thief, and extortionist, had developed a relationship with George E. Browne, the business agent of Local 2 of IATSE.⁶⁹¹ With the backing of the Capone organization, Browne was installed as president of the union in a corrupt election in 1934. Two years later, the group made their daring move against the billion dollar movie industry. Bioff told Nicholas M. Schenck, the President of Loews, the industry's representative to the union, that the price for labor peace would be \$2 million.⁶⁹² The Hollywood giants, such companies as Twentieth Century Fox, RKO, Warner Brothers, MGM, and Loews, thought it over and decided to pay.⁶⁹³ The extortion scheme was uncovered, however, in connection with the income tax evasion prosecution of Joseph M. Schenck, the chairman of the board of Twentieth Century Fox.⁶⁹⁴ Schenck testified against Bioff and Browne, who, in turn, implicated the Chicago Mafia figures, including DeLucia, as well as Frank Nitti, Nick Circella, Louis Compagna and John Roselli.

During his extensive cross-examination in the extortion trial, which was held in New York, Bioff testified that once when things did

not look good, he talked about quitting the rackets.⁶⁹⁵ He was told, he said, that anybody who resigned from the syndicate resigned from life as well. "That's why I never resigned," he told the court and jury.⁶⁹⁶ Willie Bioff's fears were, in fact, fully justified. On November 4, 1955, just as the parole terms of his former associates ran out, he left his Phoenix, Arizona home, got into his car and stepped on the starter. The car, rigged with dynamite, exploded; he was killed instantly.⁶⁹⁷ Nevertheless, even though violence was used to intimidate other witnesses in the motion picture prosecution, including defendants who might have been thinking about cooperating with the government--on February 2, 1943, Circella's girlfriend, Estelle Carey, was tied to a chair in her apartment, doused with gasoline and set afire⁶⁹⁸--the defendants were found guilty of extortion on December 31, 1943, and were sentenced to ten years at Leavenworth (all except Nitti, who had committed suicide). In spite of recommendations against early release by both the prosecutor and judge, they were paroled on August 13, 1947, having served the bare one-third minimum of their sentences.⁶⁹⁹ Murray Humphreys, a Chicago mob figure, masterminded the release, as he indicated in an overheard conversation on October 16, 1964. Attorney General Tom Clark had been, he said, "100 percent for doing favors," but after the parole scandal broke, "you couldn't get through for nothing." Humphreys elaborated on the fix.

The guy [Maury Hughes] who went to him [Attorney General Clark] was an ex-law partner [from Dallas], and then the scandal broke.⁷⁰⁰

The Kefauver committee, in its final report, termed the granting of parole to the motion picture industry extortionists "a shocking abuse of power,"⁷⁰¹ and The Chicago Tribune, when Clark was nominated for the

Supreme Court in 1952, called him "unfit," citing "his considerable role" in the release of the gangsters.⁷⁰²

(3) Policy Takeover

When Giancana got out of prison, he turned to Edward Jones, his former fellow inmate, asking for a bankroll. With it--and the proceeds of various illicit enterprises, including the counterfeiting of gas and food rationing stamps--Giancana moved out of The Patch to the Chicago suburb of Oak Park, where he bought a yellow-brick, red tile-roofed house at 1147 South Wenonah Avenue.⁷⁰³ In May 1946, Giancana showed his gratitude to Jones by engineering his abduction on a Chicago street.⁷⁰⁴ Five days later, Jones was left unharmed, standing on the corner of 62nd and Loomis Streets, adhesive tape covering his eyes and cotton in his ears. There was talk of high ransom, but it apparently did not involve money. Giancana had made himself a partner in the black policy racket, and Jones retired to his estate in Mexico. Giancana proceeded in the following months to lead the syndicate's takeover of the major policy operations in Chicago's Black Belt.⁷⁰⁵ It was part of a general move in the 1940s by the old Capone gang to consolidate its control of all gambling in Chicago. It was a period marked by bombings, kidnappings, and ambushes, with high casualties for all of the warring factions. The syndicate itself lost more than a dozen people. In the end, the horse rooms, race wire service, casinos and policy wheels came under the domination of the syndicate, which had successfully transferred its monopoly from bootleg alcohol to illegal gambling. As for Giancana, his rising status in the syndicate was symbolized by his new job as Anthony Accardo's chauffeur.

(4) Anthony Accardo

Antonino Leonardo Accardo was born in Chicago on April 28, 1906, of Sicilian immigrant parents.⁷⁰⁶ His father, Francesco, was a self-employed shoemaker at 560-½ Harrison Street in the Patch. On May 31, 1923, when the 17-year-old Accardo was convicted of disorderly conduct, his father's address was listed as 1353 Grand Avenue, an address on Chicago's near West Side, but not in The Patch. Like his father's move to a better neighborhood, Accardo's rise to the top of the Capone gang was the result of hard work. In the early years, Accardo had the reputation of a gunman: he was a suspect in the 1929 St. Valentine's Day Massacre, and in 1930, he was arrested though acquitted, on a gun charge in connection with the murder of Julius Rosenberg, a suspected informant. His lawyer was Roland W. Libonati, a state legislator, who would go on to represent the interests of the Chicago underworld in the U. S. Congress.⁷⁰⁷

By the 1940s, Accardo had become the manager of a number of gambling establishments, the most notorious of which was the Owl Club in Calumet City, a Chicago suburb that was virtually owned by the syndicate.⁷⁰⁸ Following the suicide of Frank Nitti in 1943, and the imprisonment of Felice DeLucia in 1944, Accardo took over the syndicate, which prospered under his leadership. Accardo did well, too. In 1950, he moved into a 22-room showplace at 915 Franklin Street, River Forest, Illinois, a suburb of Chicago.⁷⁰⁹ Built in 1930 for an estimated \$500,000, the house had a stone exterior, six large bedrooms, six bathrooms, two bowling alleys, a billiard room and an indoor swimming pool and garden; the interior woodwork was hand carved; the original fixtures in three of the bathrooms were gold-plated; and one bathtub was

cut out of a solid block of Mexican onyx at a cost of \$10,000.⁷¹⁰ Small wonder that Accardo began to have trouble with the Internal Revenue Service. A series of audits culminated on April 25, 1960, with an indictment for tax evasion for the years 1956, 1957, and 1958. His conviction was reversed on appeal on January 5, 1962, by a two-to-one vote of the Court of Appeals for the Seventh Circuit.⁷¹¹ While FBI electronic surveillance indicated the appeal was fixed, it was not verified by subsequent investigations.⁷¹² Witnesses who testified in Accardo's defense were, however, convicted of perjury.⁷¹³ A retrial was ordered by Attorney General Kennedy, but on October 3, 1962, Accardo was acquitted of tax evasion. His tax troubles did force Accardo to retire, however, and to pass the leadership to Sam Giancana.⁷¹⁴

(5) Trouble in Las Vegas

The popular images of organized crime figures often reduce them to their most common characteristic--violence; they are made to appear animal-like and little more. Nothing could be further from the truth. Like many of his fellow leaders in the ranks of the syndicate, Giancana had about him, for all his viciousness, as William Brashler observed in The Don, "a beguiling, lilting charm."⁷¹⁵ He was, Brashler noted, "able to envelop those around him into a coven of understanding, and speak with them as one who understood and cared, be it about affairs mundane or treacherous."⁷¹⁶ His charisma was particularly effective with women. He had been more or less faithful before the death of his wife, Angeline, in April 1954,⁷¹⁷ but from then on he was ever on the make, pursuing waitresses, secretaries, dancers, hat-check girls, wives of associates--all she had to have was a pretty face and nice figure. But it was different with Phyllis McGuire, the youngest and prettiest of the

McGuire Sisters, one of the most popular singing trios of the late 1950's. They met in Las Vegas.⁷¹⁸

The Chicago syndicate got interested in Las Vegas in the late 1950s.⁷¹⁹ It had been declared an open city, that is, not the domain of any one Mafia family, and by the end of 1960, both Giancana and Accardo had hidden interests in a number of casinos, hidden because criminals were banned from casino ownership by Nevada law.⁷²⁰ Giancana had an interest in the Desert Inn and the Stardust, both nominally owned by Morris Dalitz, and it was at the Desert Inn sometime in 1960 that he first met Phyllis McGuire. She was having a good time at the gaming tables, but had run up a debt of over \$100,000. He said he would take care of her markers, which he did by telling Dalitz, "to eat it."⁷²¹ It was the beginning of a close relationship. In 1961, Phyllis leased the Green Gables Ranch, four miles outside of Las Vegas, in Paradise Valley. Giancana made it his Nevada headquarters, exercising control over his casino interests from there.⁷²²

As time went on, Giancana's troubles stemming from the publicity created by his relationship with McGuire got more serious. In 1963, Frank Sinatra, a close friend of Giancana, owned 50 per cent of the Cal-Neva Lodge, a resort and casino on the Nevada side of Lake Tahoe.⁷²³ Giancana had often bragged that, through Sinatra, he owned a share of Cal-Neva, and Sinatra seemingly confirmed it by hiring Paul D'Amato, a New Jersey gangster, to protect Giancana's interest.⁷²⁴ Sam and Phyllis were frequent guests at the place, staying in a cozy chalet that adjoined the main hotel, but visits on two successive weekends in July stirred up enough publicity to attract the attention of the Nevada State Gaming Commission.⁷²⁵ Called to account for Giancana's share of

ownership, Sinatra was defiant at first, but by October he could see no alternative to divesting himself of his \$3 million interest in Cal-Neva as well as nine per cent of The Sands in Las Vegas, which was worth \$390,000.⁷²⁶

The Cal-Neva incident was illustrative of the larger interests that organized crime figures had at stake in Nevada, particularly in Las Vegas. Jet air travel, the vitality of the economy, and a growing reputation as the entertainment capital of the world made Las Vegas in the 1960s a rich source of illicit profits. Publicly-reported gaming income increased from \$216.3 million in 1961 to \$330 million by 1965.⁷²⁷ But both the FBI bugging program and IRS physical surveillance, conducted in connection with Attorney General Kennedy's organized crime drive, revealed that substantial sums were not being reported to the gaming authorities. In March 1962, for example, \$200,000 was skimmed from the Desert Inn alone, while in January 1963, a total of \$280,000 was skimmed from the Fremont, Sands, Flamingo and Horseshoe; the minimum estimated illegal annual take from 1960 to 1964 was \$10 million.⁷²⁸ The skim money was carried out of the country to the International Banque of Credit in Geneva, or to the Bank of World Commerce in Nassau, or it was distributed to various mob leaders in the United States.⁷²⁹ A hidden share of a casino was priced in the underworld market at \$52,500, and the dividend hovered around \$1,000 to \$1,500 a month--about a 25 per cent annual return.⁷³⁰ As Angelo DeCarlo put it, when the FBI bug was on:⁷³¹

"You get a thousand a month for a point, and sometimes you get fifteen hundred."

"You got to win a hundred thousand,..." someone broke in.

"Steal a hundred thousand, not win it," DeCarlo corrected. "You don't get nothing out of the winnings. The only thing you get is a piece of what they steal."

The government was threatening the investment, however, with the Attorney General's organized crime program: FBI strength in Nevada was tripled; the IRS opened a 40-agent office in Las Vegas.⁷³² It was potentially the worst financial disaster for the mob since Castro closed the Havana casinos in 1959. Angelo DeCarlo spoke of these concerns when he said, "There's a lot of money invested in Las Vegas, a lotta people got money. If anything goes wrong...."⁷³³

(6) Political Corruption: Roland Libonati

Popular imagination notwithstanding, organized crime in Chicago did not originate with prohibition. The city was founded in 1837 and reputed within a decade as a center of vice and corruption.⁷³⁴ After the famous 1871 fire, the saloons and brothels were clustered on Dearborn Street, near 22nd, in an area known as the South Side Levee. Politically, it was the First Ward, which also consisted of the commercial district, or Loop, and at the turn of the century, the ward bosses were Michael "Hinky Dink" Kenna and John "Bathhouse" Coughlin, the Lords of the Levee.⁷³⁵ Their power was immense, for there was little distinction between the Kenna-Coughlin political machine and the forces that controlled liquor, gambling, and prostitution--they were one and the same.⁷³⁶ It was from these roots that the Capone organization grew. James "Big Jim" Colosimo, the first Chicago crime boss, was a pimp and a restaurateur; his headquarters, Colosimo's Cafe, was at 212 South Wabash.⁷³⁷ It was only under his successor, John Torrio, Capone's immediate predecessor and a Colosimo bodyguard, that the organization got into the illicit beer and liquor traffic.⁷³⁸ While the faces

changed from generation to generation, the fact of the alliance between politics and crime in Chicago seemingly remained the same.

Torrio's principal headquarters was The "Four Deuces," which was located in a building at 2222 South Wabash Avenue.⁷³⁹ It was a place, four stories high, devoted to liquor, chance, and illicit sex. Capone's headquarters was at the Lexington Hotel, which was located one street to the east, on South Michigan.⁷⁴⁰ Capone occupied the entire fourth floor, most of the third, and parts of the rest of the building. Each of these buildings lay in the First Ward. Known as the "Lords of the Levee," Kenna and Coughlin collected votes and tribute from every racket or vice operation in the ward; Coughlin did not die until 1938; Kenna lived until 1946, when he died at the age of 88. By the time of their deaths, however, they had become mere figureheads for Jake Guzik, the Capone syndicate overlord in the First Ward.⁷⁴¹ Gus Alex succeeded Guzik on Guzik's death in 1956.⁷⁴² A year after Kenna's death, the First Ward was merged with the 20th, which had been separated from it by the south branch of the Chicago River. The Patch was at the center of the 20th Ward. The politicians from the redistricted ward and adjacent hoodlum-dominated jurisdictions came to be known as the West side Block, the character of which was typified by the political career of one of its notorious leaders, Roland Libonati.⁷⁴³

First elected to the State Legislature in 1931, Libonati was photographed that spring with Capone and Jack "Machine Gun" McGurn at a Chicago Cubs baseball game. Asked for his comment by the press, he said he was "proud" when Capone asked him to speak to his son.⁷⁴⁴ In later years, he said of his relationship with Capone: "He treated me with respect...and I never did anything not to merit his respect."⁷⁴⁵ He

also said of DeLucia and Accardo that they were "charitable" and "patriotic" fellows.⁷⁴⁶ Libonati's 22-year stint in the State Legislature (six years as a Republican representative and 16 years as a Democratic senator) was characterized by unswerving loyalty to his hoodlum friends, as the Kefauver committee noted.⁷⁴⁷ In 1957, he was rewarded with a nomination to Congress from the Seventh District of Illinois; he won with 89 per cent of the votes.⁷⁴⁸ How he got those votes was hinted at in a conversation he had with two associates on October 23, 1962 that was overheard by the FBI.⁷⁴⁹ Libonati said he did not even know the name of his opponent in the upcoming election--it was, he said, "laughable" to have opposition in his district.⁷⁵⁰ Libonati then remarked: "Last time, you guys built me up to 98,000 votes, and the other guy to 23,000."⁷⁵¹ Libonati was appointed to the Judiciary Committee of the House, which had jurisdiction over anti-crime legislation sought by the Kennedy Administration, and in that same conversation on October 23, 1962, he took credit where credit was due. "I killed," he said, "six of [Kennedy's] bills. That wiretap bill, the intimidating informers bill...."⁷⁵²

In January 1963, Giancana ordered Libonati to step down "for reasons of poor health." Ovid DeMaris, in Captive City, wrote that Giancana acted because Mayor Richard J. Daley had been informed by Attorney General Kennedy that if Libonati returned to Congress, Kennedy "would personally see to it that he went to jail."⁷⁵³ Libonati's successor was Frank Annunzio, a former First Ward committeeman and a partner of two syndicate figures in an insurance business.⁷⁵⁴ When he ran for the House in 1964, Annunzio said he thought that Americans of Italian ancestry had been unfairly linked with the crime syndicate

hoodlums: "I feel our image has been treated unfairly."⁷⁵⁵ The FBI in a report not made public, commented in 1964: "Annunzio will follow [the] dictate[s] of [the] Mob."⁷⁵⁶

One of Libonati's last acts in Congress was the introduction of legislation that would have made it a crime for federal agents to keep gangsters under surveillance. At the time, he told a Chicago television newscaster: "Yes, I know Giancana. [M]y bill would cover him."⁷⁵⁷ The reason for Libonati's legislation was Giancana's reaction to stepped-up FBI surveillance starting in 1963.

(7) Physical Surveillance

FBI agents who had kept Giancana under surveillance since he was named a principal target of the Attorney General's organized crime program in 1961, decided in the late spring of 1963 to change tactics.⁷⁵⁸ Up until then, Giancana had not been under close physical surveillance. On their own, although with approval from Washington, the agents decided to institute "lockstep" physical surveillance--a 24-hour tail, no matter where he was or whom he was with. As Brashler wrote in The Don:

With his temper and his volatile moodiness, they saw a chance to disrupt the man's routine, his private affairs, his very equilibrium, to such an extent that they were⁷⁵⁹ certain it would cause him to make mistakes.

~~The lockstep surveillance was more effective than expected. Giancana~~
became isolated; it was no longer possible for him to conduct meetings.⁷⁶⁰ Other organized crime figures shunned him. In particular, the surveillance apparently aborted a plan by Giancana, approved by the Commission over the objections of a Florida mob figure, Charles Tourine, to take over the gambling casinos in the Dominican Republic.⁷⁶¹ Because

of the surveillance, the final meeting with Dominican Republic officials could not be held. As Charles English, a Giancana associate, put it: "The guy...[had] trouble even having a date."⁷⁶²

At first Giancana tried to elude the agents, displaying all of his old skills as a wheelman.⁷⁶³ Once, he raced through a car wash, as attendants who knew him stepped aside and cheered, "Go, Mo, Go!" But the agents were on the other side waiting for him. He was followed on the golf course, crowded by the agents who were better golfers and who occasionally drove into his foursome, or held off and snickered while Giancana, flustered, four-putted. Desperate, Giancana decided to take an unprecedented step.⁷⁶⁴ With the help of his son-in-law, Anthony Tisci, a lawyer on Libonati's congressional staff, he sought to enjoin the agents' conduct as a violation of his civil rights. Giancana hired a private detective, who made surveillance films of the FBI. "Take this side [of me]," an agent taunted. "This is my best side. Then I'll take a picture of you and put a nice number under it."⁷⁶⁵ Giancana also adopted the routine of a legitimate businessman, even going to church one Sunday. An assistant pastor at St. Bernadine's told a newspaper reporter that Giancana's last visit had been three years before, for his daughter's graduation.⁷⁶⁶ On June 27, Giancana filed suit, claiming he had been "harrassed...humiliated...[and] embarrassed...."⁷⁶⁷ His attorney described the decision to put Giancana under surveillance as

"the work of some New Frontier lawyer who forgot his lessons in constitutional law."⁷⁶⁸ The Federal court at first refused to act, but it did set a date for a hearing in July.⁷⁶⁹ Giancana himself was the star witness, showing and narrating a five-minute color movie of the FBI. "Them are the pictures," he said, speaking in raspy, barely audible

tones.⁷⁷⁰ "Those four guys are playing right behind us. One of these fellas is Roemer."⁷⁷¹ Giancana identified (William) Roemer as an FBI agent he said he met "at O'Hare Airport nine months ago."⁷⁷² Media attention was also given to Tisci, who contended to the press that his representation of Giancana in court did not conflict with his duties to Congressman Libonati.⁷⁷³ The Department of Justice decided to defend the case by taking the position that the court had no power to supervise a surveillance; consequently, no cross-examination was made of Giancana, no evidence was put in, and when Martin W. Johnson, special agent in charge of the Chicago FBI office, was called to testify, he refused to answer 13 specific questions on the direct order of Attorney General Kennedy.⁷⁷⁴ The court refused to sign an order submitted by Giancana's lawyers, which would, one government official noted, have "prevented virtually any investigation...by any police...agency."⁷⁷⁵ But to the deep chagrin of the Department of Justice and the FBI, the court entered a limited order and held Johnson in contempt for failure to testify, fining him \$500; the court's order provided that the FBI could not have more than one car parked within a block of Giancana's home, only one car could be used to follow him, and that there had to be at least one foursome between Giancana and the agents when they followed him on the golf course.⁷⁷⁶ Stunned, the government, at the direction of Attorney General Kennedy, appealed.⁷⁷⁷ On July 26, 1963, the Circuit Court of Appeals, after hearing 90 minutes of argument, stayed the injunction, pending full appeal. The court observed:

[The FBI agents] are a part of the executive department...and they are not subject to supervision or direction by courts as to how they shall perform the duties imposed by law upon them.⁷⁷⁸

The stay was made permanent on June 30, 1964, although Johnson's contempt citation was affirmed.⁷⁷⁹ Giancana lost more than he won by going to court, since the publicity generated by the suit turned his \$50,000 mansion into a tourist attraction. "I never saw anything like last night," said Norma Boerema, who lived across the alley from the Giancana home. "There were 150 to 200 cars...circling around...."⁷⁸⁰ Other mob figures were heard to grumble that Giancana had lost his effectiveness as a result of the publicity.⁷⁸¹

(8) The President's Assassination

When word of the Kennedy assassination came, Sam Giancana was at the Armory Lounge with Keely Smith, the professional singer and a longtime friend, and Charles English, an associate. Robert Kennedy would "not have the power he previously had," Giancana observed hopefully, though he turned out to be right.⁷⁸² Three days later, Giancana and English were again within range of an FBI device, as they watched a television replay of the President's funeral the day before. English started to sing, "When the caissons go rolling along,..." and commented that Lee Harvey Oswald was supposed to have been "an anarchist" and "a Marxist Communist."⁷⁸³ "He was a marksman who knew how to shoot," Giancana replied, adding that with Oswald dead, they would not be able to know if he had "other contacts or what."⁷⁸⁴

K. The Organized Crime Program: 1963 to Today

1. Decline and Revival

It has been forcefully argued that the mob had a hand in the President's assassination.⁷⁸⁵ Reasonable people can differ on the question. That they were one of the principal beneficiaries of the assassination is not open to question. Not only did the statistics of

the organized crime program that measured performance fall,⁷⁸⁶ but in July of 1965, at the request of then Attorney General Ramsey Clark, President Johnson banned all use of electronic surveillance techniques, except in national security matters.⁷⁸⁷ Never again did the FBI or any other Federal investigative agency have such comprehensive, detailed and accurate information on organized crime. Too many people, however, had come to realize the importance of the Federal effort against organized crime. A study group of liberal Republicans published a sharply critical analysis of the declining program,⁷⁸⁸ and efforts were made to revive it.⁷⁸⁹ The program's area field offices were renamed "Strike Forces."⁷⁹⁰ The President's Crime Commission⁷⁹¹ in 1967 called for its strengthening, and recommended a legislative program in the area that included grand jury reform, immunity authorization, perjury and contempt reform, wiretap authorization, and a call for new efforts to blend criminal and civil remedies.⁷⁹² Similarly, a House committee studied the organized crime program in 1968 and called for its strengthening.⁷⁹³ Over the strenuous objections of Attorney General Clark and President Johnson,⁷⁹⁴ too, Congress enacted in 1968 the wiretap legislation called for by the Crime Commission.⁷⁹⁵ Writing in 1976, the National Wiretap Commission, created by the 1968 Act, observed:

Since 1968, the use of court-authorized electronic surveillance to gather evidence of crimes involving organized criminals has confirmed the belief that syndicated criminals continue to pose a major problem to our society and that electronic surveillance is often an effective means of uncovering and proving the existence of organized criminal conspiracies. Organized criminals, we have seen, seek to carry out any lucrative illegal endeavor, from gambling to narcotics distribution to major fraud schemes, and they seek to cover their activities through the intimidation of victims and accomplices and the corruption of public

officials. Electronic surveillance, directed at these major criminal endeavors under careful Title III procedural controls, has been able to assist in the prosecution of this activity while minimizing the threat to the privacy of persons pursuing legitimate activities. ... The Commission notes, however, that surveillance alone promises little. Together with adequately trained and motivated law enforcement personnel, sufficient in number, carefully drafted substantive and procedural legislation, and appropriate support from the other segments of the criminal justice system, the courts and corrections, much may be accomplished.⁷⁹⁶

Finally, in 1970, in the Organized Crime Control Act,⁷⁹⁷ most of the rest of the Crime Commission's legislative program was enacted.

2. Operation Today

Today, Federal Strike Forces are operating in 14 cities, with 12 suboffices.⁷⁹⁸ Organized crime is a major priority of the Department of Justice. Over all, the Federal government spends \$100 million a year in its organized crime control program.⁷⁹⁹ William H. Webster, the Director of the FBI, has told the Congress that the Bureau's efforts in its organized crime program, representing 22 per cent of its field agent time, are resulting in about 632 convictions per year, 405 of which are in the racketeering classification.⁸⁰⁰ Webster also indicated that 107 among these convicted "were either associates or members of the largest organized crime groups operating in this country."⁸⁰¹ What is known publicly today, however, about the role, scope, and impact of the various organized crime groups, including the national syndicate, on violence, official corruption, the traditional fields of criminal endeavor (narcotics, gambling, loansharking, and the theft and fencing of stolen property), or the nation's legitimate economy (through such activities as arson-for-profit, cigarette bootlegging, or the invasion

and take-over of unions) is dependent upon the work of a small handful of investigative reporters and periodic congressional hearings.

Accordingly, it is to these subjects that these materials now turn, as there has been no comprehensive effort to essay these individual areas since the work of the President's Crime Commission in 1967.

CHAPTER II. ORGANIZED CRIME AND VIOLENCE

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A. Introduction

Traditionally, our nation and our society have been characterized by violence--the fight for independence, the Indian wars, slavery and the secession of the South, agrarian reform, the emergence of organized labor, the civil rights movement, and conflicts based on religious and ethnic animosities or even politics. The violence that has characterized the development of our underworld therefore, ought not to come as a surprise to anyone who knows our history or is familiar with the dark underside of our national life today. Nevertheless, the role and impact of violence in the underworld ought not be overstated, minimized, or misunderstood. Placed in context, it is seen like a natural outgrowth of the character of organized crime itself.

Organized crime, including the national syndicate as well as other groups, continues to be extremely violent. The Department of Justice estimates that there were 200 gangland slayings in 1979, a minute portion of the total (20,000) homicides that occurred that year, but significant for the brutality that they manifested as a way of life for the organized underworld.¹ Indeed, violence of all kinds, frequently murder, is used as a means of maintaining the organization and insuring its success. Violence is in fact considered to be a rational solution to many of the problems faced by the organization of crime. For the less sophisticated groups, violence, however, may be used more frequently and less selectively than by older groups such as La Cosa Nostra. La Cosa Nostra, for example, typically uses murder only when other alternatives will not work, realizing, among other things, that wholesale violence will attract intensive law enforcement investigation.² Nevertheless, timely murders remain a method of

conducting its business. Most La Cosa Nostra families in fact go through periods of heavy and seemingly unrestrained violence. Understanding violence is one key to understanding the essential character of organized crime.

B. Traditional Patterns of Violence

In the early days of its syndication, organized crime murdered insiders and competitors with reckless abandon. Between 1919 and 1934, organized crime in Chicago, for example, averaged 48 gangland murders per year.³ Dion O'Banion, a leader of one Chicago group, was killed, it is said, merely for refusing to cancel another gangster's gambling debt.⁴ According to some writers, the infamous Masseria-Maranzano war in New York, which led to the formation of the nationwide syndicate, was ended by the killing of roughly 40 Sicilian gang leaders in a three-day period in 1931.⁵ Gradually, however, as organized crime became syndicated, gangsters began to use murder more selectively as a tool of their trade. The mobsters began to realize that excessive violence was one of the crucial things that attracted public attention and law enforcement pressure. Accordingly, a conscious decision was taken by the principal group to attempt to avoid unnecessary violence. A modern, rational use of violence was the result.

1. Controls over Violence⁶

La Cosa Nostra, as a well-established and highly structured organization, has strong internal and external controls over violence. La Cosa Nostra's organizational structure enables it to control the use of violence by its members. Significant in this regard is the role of the family boss, who is usually against wholesale violence. Where the boss is strong, he must approve all killings by members, which

facilitates a rational use of murder. Where there is no strong leader, and in the newer organized crime groups with less mature leadership, killings are likely to be less well thought out.

The family boss controls a system that is in fact relatively effective in limiting violence between members of his family. Soldiers are expected to settle differences without violence. If they cannot agree, they are supposed to request a caporegima to arbitrate. If the capo cannot resolve the dispute, the soldier is supposed to request the consigliere, underboss, or boss to decide. If the boss makes a decision on the matter, it is supposedly final. A member who refuses to follow the boss's decision will be punished by the organization, a punishment ranging from a slap in the face to murder, depending on the gravity of the offender's misdeed.

If members of different families become involved in a dispute, the boss or consigliere of each family may meet in a sitdown, the underworld form of binding arbitration. Similarly intrafamily murder is kept as impartial as possible. Murders are ordered only if it is for the good of the family. What reasons are sufficient to demand death vary with the family and boss, but they include informing on the family or another member, disobeying the boss, and not sharing with the organization a proper share of the profits from illegal ventures. If a killing is ordered within the family, the members usually accept it, if the boss is strong, partly because of the boss's position of authority, but partly because they know the boss could order the same fate for them.

Various techniques are also used by organized crime to help control the use of violence against non-members, including money and a thoroughly developed and well-cultivated instillment of fear in the public.

No one seems to know for sure how much political corruption exists, but everyone agrees that organized crime could not flourish like it does without substantial corruption.⁷ Organized crime's vast financial resources enable it to buy many public officials. Accordingly, corruption allows organized crime to operate more easily than otherwise and with less need for violence. Instead of threats and actual force, intensive police investigation may be avoided through bribery.

Money, or more generally, economic power, enables organized crime to have its way with other criminals, and with many legitimate businesses and labor unions. Criminals with successful operations can be brought under the organization's control by offering protection, financing, and exclusive territory. Legitimate businessmen can be controlled in several different ways, including threats of labor problems, caused by organized crime-bought labor leaders. Methods such as these allow organized crime to exercise a great deal of influence without resorting to violence. Money also helps limit violence in a more indirect way. One of organized crime's goals is profit, and it understands well that most people, or businesses, can be milked for something. Thus, instead of a beating or killing a customer, a loanshark might force him to rob a bank, steal securities, or embezzle, as dead people cannot contribute to the mob's till.

~~The most effective alternative to actual violence, however, is fear~~ of violence. Because of organized crime's well-known propensity for violence, the resulting fear of violence actually reduces the need for its use. In short, people are generally so intimidated by mobsters that force is not necessary to encourage them to do whatever the mob desires of them. Thus, when a loanshark tells a customer that if he is late in

payment again he will be dead, the customer does not wait to see if the loanshark really means it. And the restaurant owner pays the extortionist rather than see if the extortionist will actually bomb his restaurant. Likewise, the store owner buys the mob's products instead of risking the consequences. There are well-publicized instances of what happens to those who do not go along with the mob, and one threat, carried through, goes a long way toward preserving the mob's credibility.

2. Kinds of Violence

When necessary, organized crime uses violence in a calculated way. Force is used as a rational solution to four types of organized crime problems: 1) business, 2) security, 3) warfare, and 4) competition.⁸

a. Business

First, business violence can be defined as the type of violence that occurs in the normal course of an illegal endeavor, such as a loanshark using force to collect an overdue payment. This type of violence is separate from the competitive violence that occurs when different groups vie for the same racket or territory. In the business context, however, violence seems to be used relatively little; it is, in short, not generally good for business. The most common type of business violence is loanshark violence, as in loansharking the threat of violence is necessary to insure repayment of the loan, for which there is no traditional collateral. At times, violence must, therefore, be used to demonstrate that nonpayment or habitual late payment will not be tolerated.⁹ But other forms of punishment, including interest rate penalties or business takeovers, are usually adequate sanctions. Here, too, violence is not always the best policy.

Neither gambling nor narcotics are typified by a high degree of business violence. Both endeavors involve continuous relationships. As such, the use of violence is not a major factor in maintaining the illicit relationship. Obviously narcotics trafficking has its violent aspects, chiefly competitive or security violence and secondary violence by addicts, but in its "business" aspects narcotics racketeering is not excessively violent.¹⁰

Ironically, business violence may play a larger role in the underworld's activities in the legitimate economy. Labor racketeering, for example, involves violence. Payoffs and kickbacks from employers are extorted through threats of violence. Other forms of labor racketeering may be made easier with the help of the threat of violence.¹¹ Usually, too, violence will play a role in organized crime's gaining control of legitimate businesses. Once in control, it may be necessary for mobsters to use violence to drive competitors out of business, force their products on buyers, or sweeten deals.

Events in Kansas City from 1972 through 1977 aptly illustrate the mob's willingness to use force in its business dealings.¹² During this period, the Kansas City Cosa Nostra family tried to move its go-go bars and pornography shops into a newly-redeveloped area called the River Quay.

The River Quay was an old riverfront area of Kansas City, which in the early 1970's was redeveloped into a fashionable shopping and tourist center. In order to insure a family-oriented area, the developers rigorously screened prospective lessees.

In 1972, Fred Harvey Bonadonna obtained a lease and opened a restaurant in the River Quay. The restaurant immediately gained

success, and Bonadonna became influential among area businessmen. Fred Bonadonna, a fully legitimate businessman, was the son of a soldier in the Nicholas Civella crime family.

When the mob became interested in the area in 1974, the River Quay included 68 different retail establishments, and it was a major Kansas City tourist attraction. Urban renewal in the "sex industry zone" in Kansas City, however, required mob-connected pornshops and go-go bars to relocate. Accordingly, Joseph Cammisano, a mob figure, purchased a building in the River Quay, intending to relocate his go-go bars in the area. Fred Bonadonna opposed the move, and he did everything in his power to stop Cammisano's business from opening. Bonadonna was warned by his father not to oppose the mob, and the bar was finally allowed to open.

Nevertheless, when other sex-related businesses tried to open in the area, Bonadonna and other legitimate merchants adamantly opposed them. As a result, the businesses were unable to obtain licenses. Bonadonna was again warned by his father that the mob would resort to anything to gain control of the River Quay bars. Bonadonna then relented, but when Cammisano began to promote go-go girls in one of his bars--in violation of an agreement with Bonadonna--Bonadonna complained to the mobsters. At this point, Bonadonna's father warned him that Joseph Commisano and his powerful brother William Commisano considered Bonadonna an enemy. Bonadonna's father cautioned him to watch out for known assassins, but Bonadonna continued to oppose the mobsters. At one confrontation, William Cammisano told Bonadonna that he (William) would kill anyone, including anyone at city hall, who opposed him.

In an attempt to soften the now hardened opposition to them, the mob resorted to violence. First, in March 1976, Fred Bonadonna's son was brutally beaten with baseball bats. Next, in June 1976, his father was murdered. In November 1976, a close friend of Bonadonna's was found strangled, and on the same day, an unknown bomber was injured while attempting to connect an explosive device to the car of Bonadonna's bodyguard.

Bonadonna himself was in such danger that he was forced to enter the Federal Witness Protection Program in March 1977. Even after Bonadonna had left Kansas City, and the media began to expose the purpose of the acts of violence, it continued. In March 1977, a Bonadonna building in the River Quay was blown up, and in August 1977, another Bonadonna bodyguard was killed by a bomb.

Because of the violence, the River Quay itself was destroyed as an attractive downtown area, and it became a seedy, bombed-out porno district. The dream of legitimate businessmen was destroyed by the mob's greed and its violent tactics. Bonadonna himself was relocated after testifying against the Commisanos, who were convicted of extortion, but he can never return to Kansas City without risking murder by a vengeful mob.

b. Security

Organized crime also uses violence to maintain internal security.

If a member or an associate is a security threat, he must be taken care of, and that may include murder. According to Joseph Valachi, Willie Moretti, for example, was killed because his mental instability rendered him unable to behave rationally; he was, therefore, a threat to security.¹³ Other racketeers will be disciplined or silenced for disobeying orders or being too independent.¹⁴

The beating or murder of an informant is the most common type of security violence.¹⁵ The violence may not be limited to the potential witness.¹⁶ John Fitzgerald, an attorney who counseled his client to inform on the mob, had his leg blown off by a bomb planted in his car; he, too, was apparently viewed as a security threat.¹⁷

Informants who have already done damage to the organization may also be killed for revenge and to discourage potential informants. George A. Francorero, who twice gave damaging testimony in organized crime prosecutions, was shot in 1981.¹⁸ Joseph Barboza, whose testimony helped convict Raymond Patriarca, a New England boss, was subsequently killed after his cover was blown, and it became known that he had agreed to testify again.¹⁹ Indeed, it is fair to conclude that the mob's continued success depends in large part on its code of silence. It is understandably difficult to convince a lower level organized crime figure to testify against his bosses and breach this code. Victims of organized crime too know equally well what might occur if they testify against the mob. As such, violence protects the organization from inside and outside threats. For example, in the prosecution of Gary Bowdach, a mob figure, 15 counts of an indictment had to be dropped because 15 witnesses outright refused to testify because of their fear of Bowdach.²⁰ Security violence in fact created the need for the Federal Witness Protection Program, which ~~now makes it somewhat less~~ dangerous to testify against organized crime.

c. Warfare

Warfare, external fighting or internal rebellion, occurs when an individual or faction within a group attempts to make a change in the group's leadership. In La Cosa Nostra, such attempts may also be made

by other families, and they, too, may be categorized as a form of warfare. Warfare can result from dissatisfaction with leadership, encroachment on another family's racket or territory, or simply a vacated leadership position. It may take the form of a small war, in which several gang members are killed, or a single assassination of a leader. The assassination in the 1970s, for example, of La Cosa Nostra leader Sam Giancana, illustrates the point. Examples of more extensive warfare include the Masseria-Maranzano war of the 1930s²¹ or the Gallo Profaci war²² and the Bonnano war of the 1960s.²³ In more recent years, the killings of Philadelphia bosses Angelo Bruno and Philip Testa and numerous members of the Bruno family, have been attributed to both rebellion and warfare, probably a takeover attempt by New York families.²⁴

The Rochester, New York organized crime family, however, has been plagued by extended gang war in recent years and an examination of that conflict will well demonstrate how warfare begins and proceeds.²⁵

The war can be traced to 1972, when Rochester boss Frank Valenti was forced out by Samuel Russotti, Rene Piccarreto, and Salvatore Gingello, who accused Valenti of skimming organization money for his own use. Valenti passively retired when his only loyal capo, Dominic Chirico, was assassinated. Russotti then became boss of the family, Rene Piccarreto the consigliere, and Salvatore Gingello the underboss.

On January 14, 1977, Russotti, Piccarreto, and Gingello, along with three other leaders, were, however, imprisoned for 25 years to life for their roles in the murder of a fellow mobster, a conviction that left a tremendous void in the Rochester family's leadership. The man left in charge, Thomas Didio, was supposed to act as a puppet for Russotti.

Didio, however, refused to follow Russotti's orders; he did not provide for the imprisoned mobster's families; and he lowered the status of all members who were loyal to Russotti, Piccarreto, or Gingello. In addition, when a fund-raising event was held for the benefit of the imprisoned mobsters, Didio allegedly skimmed a large part of the money for himself. These and other similar actions by Didio enraged Russotti and his loyalists, and created great discontent in the family.

In July 1977, Didio, sensing the dissension within the family, began to seek counsel from Frank Valenti, thus bringing Valenti back into the conflict. About the same time, Russotti's group determined to remove Didio from power.

In September 1977, Didio and two of his loyalists were told that they were through by several Russotti followers, who then severely beat Didio and his men. Didio and his group then went into hiding, and began to hold secret meetings at a Pittsford, New York restaurant.

In December 1977, Didio's forces launched their retaliation by trying to attach a remote control bomb to a Russotti follower's car, but they were caught in the process. A high speed chase through Rochester resulted, with the two groups shooting wildly at each other. At one point, the bomb fell off the car; it was later discovered by a twelve-year-old boy, who dismantled it.

In January 1978, Didio loyalists ambushed a car containing Russotti henchmen and riddled it with bullets, but, miraculously, no one was killed. Meanwhile, in January 1978, Russotti and his five cohorts were released from prison after their convictions were reversed because of police perjury in their trial.

d. Competition

Competitive violence is the violence that occurs when one or more gangs vie for control of a racket or a territory. It is little different from the kind of violence in which the urban youth street gangs frequently engaged. La Cosa Nostra has used it to attain and maintain its preeminence in organized crime. For example, in Boston in the early 1960s, La Cosa Nostra caught the powerful Irish gangs off guard, and, in a war involving at least 50 murders, took full control of the gambling and loansharking rackets.²⁶ Rising organized crime groups, including Black and other ethnic organizations, are also using competitive violence to expand their operations.

Narcotics trafficking, however, is by far the most violent of the rackets today, and the violence connected with it is chiefly competitive in character. Miami, is, for example, a center for narcotics trafficking, and there is widespread competitive violence between rival gangs trying to gain control of the racket.²⁷ In Miami, they refer to the rampant violence of the drug traffickers as the phenomenon of the "Cocaine Cowboy."²⁸ The violence is comparable in scale and ferocity to the violence of the competing bootleggers in the 1920s.²⁹

Colombian organized crime groups are powerful in cocaine and marijuana trafficking, and as they have begun to sell directly to the south Florida market, they have come into conflict with Cuban and American traffickers.³⁰ All the traffickers are fighting to hold on to a portion of the territory;³¹ the result has been an unprecedented level of violence.

In 1979, Dade County, which contains Miami, investigated 189 homicides, of which 42 were related to narcotics in some way.³² Of

these 42, police say at least 20, but probably more, were directly related to drug trafficking.³³

The violence in Miami is brutal and totally uninhibited. For example, on April 23, 1979, in broad daylight, police discovered two cars in a high speed chase with the occupants exchanging machine gun fire. The police entered the chase, and they were fired on as well. When one of the cars was finally pulled over, police found an illegal Colombian alien hog-tied and strangled in the trunk.³⁴ Similarly, on the afternoon of May 29, 1979, a Cuban suspected of being a drug trafficker was driving his car past a shopping center in a quiet Dade County suburb. Another car pulled alongside the Cuban, and an occupant machinegunned him to death. Many of the bullets passed through nearby store windows.³⁵ Likewise, on July 11, 1979, in midday, at least two males drove up to a busy shopping mall in a van converted into a heavily armed war wagon. The two men exited the van, entered a liquor store, and fired at least 100 rounds from machine guns into the store and its occupants. A major Colombian drug dealer leader and his accomplice were killed, and two innocent victims were wounded. As the machine gunners left the store, they sprayed the parking lot with more bullets in an attempt to keep witnesses away.³⁶

Similar incidents occur frequently in Miami, as rival groups struggle to control the incredibly lucrative drug traffic.³⁷ Most of the murders remain unsolved, in large part because many of the Colombian killers have no roots in the community and cannot be identified.³⁸ In addition, they manage to leave the country, in one way or another, if they become suspects in a killing.³⁹

C. Effects of Violence

Ironically, there is considerable evidence that the presence of a powerful organized crime group may actually suppress certain crimes, including violent crime.⁴⁰ La Cosa Nostra is known to cultivate good public relations, and one aspect of this policy may be protection for neighborhoods in which it lives and operates. Organized crime, in short, does not tolerate street crime. La Cosa Nostra is able to accomplish what legitimate law enforcement cannot because of the fear and respect it evokes in other criminals. In some urban areas, crime is tightly controlled and violent crime rates are startlingly low. As one law enforcement expert said --

They⁴¹ keep the streets a lot safer than the cops do.

As effective as some groups may be at suppressing some forms of violent crime, the overall effect is, however, minimal. Cities known to have powerful organized crime groups do not in fact have lower violent crime rates than those that do not.⁴² Indeed, Florida aside, there is no discernible difference in the violent crime rates of major cities with and without strong organized crime groups.

Organized crime is, on the other hand, indirectly responsible for a great deal of violent crime. The addict who must steal to support his habit often uses violence in his thievery. At one point, the New York City Police Department estimated that 50 percent of all street crime was committed by addicts.⁴³ It is not known how many murders or assaults are committed by people under the influence of drugs, offenses that might not have been committed had the offender been clear-headed. Nor is it known how much violent crime committed by street gangs and other

young thugs can at least in part be attributed to youthful emulation of successful and highly visible mobsters.⁴⁴

D. Emerging Patterns of Violence

With the large, but important exception of the Florida drug traffic, the chief emphasis of the media's attention to organized crime's violence has been La Cosa Nostra, partially because it is the only nationwide syndicate, but also because more is known about it than other organizations. A brief discussion of some of the other organized crime groups and their violent tendencies is, therefore, in order.

1. Motorcycle Gangs

Motorcycle gangs can be extremely violent. They are apparently ready to kill anyone who gets in their way, including the sort of law enforcement officials who La Cosa Nostra has traditionally avoided. Most bike groups are referred to as dangerous, even psychopathic by the FBI.⁴⁵ The gangs with the most violent tendencies include the Hell's Angels in the West, the Banditos in the South, and the Pagans in the Northeast.⁴⁶ The brutal character of the violence is difficult to believe. One Pagan, who attempted to quit the gang, was injected with sulfuric acid, stabbed dozens of times, and shot in the head; miraculously, he survived.⁴⁷

2. Drug Traffickers

As previously noted, the propensity of those groups now involved in drug trafficking for competitive violence is well-established.⁴⁸ Drug traffickers also use violence for reasons other than competition. There are at least seven situations that give rise to violence in the drug traffic.⁴⁹

- (1) A ripoff, where a seller or buyer plans to rob narcotics or money without an exchange;

- (2) Revenge or retaliation for a past drug ripoff or homicide;
- (3) Money or drugs not delivered by the courier, source, or buyer;
- (4) A battle for ascendancy within the group;
- (5) Belief that the victim was cooperating with a government agency as an informant (Security);
- (6) Elimination of witnesses to a crime (Security); and
- (7) Hijacking drugs.

3. The Dixie Mafia

The Dixie Mafia is a loose confederation of burglars, bank robbers, and other property-oriented criminals operating in the South, who have associated together, assisted each other, and on occasion interacted with other organized crime groups.⁵⁰ The FBI terms this group fairly violent.⁵¹

4. The Israeli Mafia

The Israeli Mafia consists of a group of Israeli citizens in Los Angeles, who began by victimizing other Israelis. They have now expanded their activities into such crimes as drugs, extortion, and fraud. Recently, they were responsible for a gruesome dismemberment murder of two suspected drug dealers in a dispute over payment.⁵²

5. California Latino Groups

There are a number of other organized crime groups in the country. In Chinese communities, there are local groups called Tongs.⁵⁶ In Hawaii, there is a group known as the Yakuza, which is involved in narcotics, extortion, and murder.⁵⁸ In addition, there are Black organizations, sometimes called the Black mafia, involved in the narcotics and numbers rackets.⁵⁸ All of these groups have varying propensities for violence.

6. Other Organized Crime Groups

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E. Law Enforcement Response

Ultimately, the success of any law enforcement effort depends on the support of public opinion. Nevertheless, the public is seemingly unconcerned with the problem of organized crime, including its violent aspects, often contrary to the belief of some figures in organized crime itself. Victims of organized crime violence are too often perceived as people who probably deserve what they got.⁵⁹ Indeed, victims of organized crime are frequently organized criminals themselves. Almost all other victims are people who somehow became involved with organized crime. Accordingly, organized crime is generally not thought to be responsible for the violence that victimizes the average person, who has no connections with the mob. Society, too, demands many of the goods and services provided by organized crime. By using these goods and services, its members contribute to the power and growth of organized crime. As organized crime continues to flourish, so will its use of violence and threats of violence.

These ambivalent attitudes toward organized crime make acts of violence by organized crime difficult to solve. In Miami, less than 30 percent of all drug-related murders result in arrest, and only half of

those result in conviction.⁶⁰ In Chicago, of 999 gangland murders between 1919 and 1966, only 17 resulted in convictions by 1966.⁶¹ Violence itself is, of course, a major reason why organized crime figures are so difficult to prosecute, and the mob's vast financial resources that enable it to bribe public officials lessen successful prosecutions.⁶²

. CHAPTER I.II. ORGANIZED CRIME AND CORRUPTION

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A. Introduction

Like the role of organized crime in violence, its role in corruption must not be either minimized or exaggerated. Instead, it must be seen in the larger context of official corruption generally, which is itself not a phenomenon that only recently appeared with the Watergate scandal of the 1970s. Official corruption has in fact enjoyed a long and full history in the United States at all levels of government: Federal, state and local. Indeed, several well-respected commentators have viewed it as inherent in the political system,¹ or at least as a necessary evil.²

No one really knows whether official corruption is on the rise or whether our society has only become more acutely aware of it.³ In the early 1800s, for example, it was common practice for members of Congress and members of the executive to represent private interests in bringing claims against the government. In fact, some of the more enterprising officials actually advertised for customers in major Washington newspapers. Everyone knew that influence was openly for sale and the influence peddlers had no need to show false humility or subtleness.⁴

By the mid-nineteenth century, however, the nation had begun to develop a more critical attitude toward official morality.⁵ Between 1853 and 1854, America adopted its first four conflict of interest statutes aimed at ending official representation of private interests.⁶

Yet these statutes by no means ended the problem. In the 1860s and 70s, railroad manipulators disbursed hundreds of thousands of dollars in bribes to eager congressmen.⁷ Congress, however, held no monopoly on corruption. Scandals developed out of the post-Civil War era that

soiled the reputation of major figures in the Grant Administration.⁸ Henry Adams summed up the situation best when he stated: "One might search the whole list of Congress, Judiciary and Executive during the twenty-five years 1870-1895 and find little but damaged reputation."⁹

Watergate, too, was not the first White House humiliation. The Credit Mobilier and the Teapot Dome scandals are on par with Watergate. Although not directly touching the President, like Watergate they became codewords for official corruption in their respective administrations.

Credit Mobilier was the catchword for all the corruption of the Grant Administration.¹⁰ Oakes Aimes, a Massachusetts republican, headed the Union Pacific's railroad-milking Credit Mobilier of America. To insure the venture's success, Aimes placed 200 shares of the company's stock with his fellow congressmen where, he explained to his associates, "they will do the most good to us."¹¹ He also sold stock to both of Grant's vice presidents, Henry Wilson and Schuyler Colfax.¹²

Corruption in the Grant Administration, moreover, was not limited to the Credit Mobilier scandal. In 1876, the United States Senate tried the impeachment of W. W. Belknap, Grant's Secretary of War, for selling trading postships in the Indian territories. The Senate fell short by 5 votes to convict him.¹³ General Orville E. Babcock, secretary to Grant, was also tried on charges of blocking investigation of the Whiskey Ring scandal, a scandal that involved distillers and Internal Revenue collectors, who falsified records to defraud the federal government of whiskey taxes.¹⁴

Teapot Dome meant to the Harding Administration what Credit Mobilier meant to the Grant Administration and Watergate to

the Nixon Administration. In 1926, the first criminal trials of the Teapot Dome oil scandal began¹⁵ with a cast of characters that included Secretary of Interior Albert B. Fall, Attorney General Harry M. Daugherty, Veteran Bureau Director Colonel Charles R. Forbes, and Jess Smith, operator of the famous "Little Green House," which was part brothel and part speakeasy.¹⁶

Secretary Fall secretly leased government oil reserves at Elk Hills, California to Doheny and the Teapot Dome, Wyoming reserves to Sinclair without any competitive bidding. In return, Doheny's son delivered a black bag containing \$100,000 to Fall. Sinclair gave \$233,000 in liberty bonds, \$85,000 in cash and a herd of cattle for Fall's ranch. Fall was convicted of receiving a bribe, fined \$100,000 (which he never paid), and sentenced to a year in jail.¹⁷

Daugherty and Smith sold immunity from prosecution, government appointments, criminal pardons, and liquor permits. Daugherty stood trial for his involvement in bribery and attempt to defraud the government. He was acquitted, but forced by President Calvin Coolidge to resign.¹⁸

Forbes swindled the country out of more than \$200 million, depriving disabled veterans of bandages, bedding, and drugs. Forbes sold these provisions at a fraction of their cost for a kickback; he was sentenced to two years in the penitentiary. Smith shot himself, as did Forbes' legal counsel, as a result of the Veteran's Bureau scandal.¹⁹

The Nixon Administration, of course, had its scandal. Shortly before 2 a.m. on June 17, 1972, a security guard at the Watergate Office Building found the latch of a basement door opened. Police found and arrested five men inside the offices of the Democratic National

Committee,²⁰ an incident that led to investigations and revelations that would make "Watergate" synonymous with corrupt official practices. The Watergate scandal revealed not only that principal aides of the President had engaged in illegal political espionage against political opponents, but also that the President himself had repeatedly lied to the American public in his attempts to avoid being linked to a series of disclosures about illegal and unethical activities.

The Watergate break-in itself was part of an intelligence-gathering, political espionage scheme engineered by G. Gordon Liddy and approved by former Attorney General John Mitchell. The scheme was backed by funds from the Committee to Re-elect the President (CREEP).²¹ The break-in generated the cover-up conspiracy, which included the payment of hush money to the burglars, the destruction of evidence, and an attempt to inhibit FBI investigation of the matter. Subsequent investigation demonstrated that the President and his aides were involved in or had knowledge of these illegal activities.²²

Other abuses of official power were also uncovered as a result of the Watergate investigation. In 1969 the President, without a court order, ordered domestic wiretaps of members of the media and White House aides in an attempt to discover leaks about the secret Cambodian bombings.²³ He used the IRS to harass those who made his "enemies list."²⁴ The White House proposed creation of the "plumbers," an extra-legal, private, White House operation which was responsible for the Ellsberg break-in.²⁵ The President was also financially enriched by his office; the GSA reported that the United States spent \$1.9 million on the Nixon homes.²⁶

On August 8, 1974, President Richard Nixon announced his

resignation. About a week earlier, the House Judiciary Committee had approved three articles of impeachment, charging Nixon with obstruction of justice in connection with the Watergate scandal, abuse of presidential powers, and attempting to impede the impeachment process by defying committee subpoenas for evidence.²⁷ Nixon, however, was not the only casualty in Watergate. Many of his aides and associates also went to jail for their roles. Among those sentenced to jail were Nixon's personal attorney and fund-raiser Herbert W. Kalnback as well as former CREEP officials Jeb Stuart Magruder, Frederick C. LaRue, and Herbert L. Porter. White House aides John W. Dean, Charles W. Colson, Dwight L. Chapin, John D. Ehrlichman and former White House Chief of Staff H. R. Haldeman also went to jail. Former U. S. Attorney General and director of CREEP, John P. Mitchell, was convicted for his role in Watergate.²⁸ The Watergate scandal thus shocked a nation and brought to the forefront the problem of official corruption; it also brought about a closer public scrutiny of official conduct.

Although corruption is hardly new, it nonetheless remains a serious challenge in a free society.²⁹ Government has become a major force in our economy; it regulates more than half of the gross national product and it determines to some degree who will get rich.³⁰ Accordingly, abuse of official position and power has become attractive to many government officials. In the past decade, the number of public officials and their confederates who have been indicted by the Federal government on corruption-related charges has increased 1,100%.³¹ During the past ten years, 2,850 Federal, state, and local officials have been charged with federal offenses.³² The majority have been convicted.³³ The guilty have included a Vice President of the United States,

governors, Federal judges, and members of Congress.³⁴

While organized crime plays a significant role in official corruption, it cannot be credited with all or even most official corruption. In fact, organized crime's involvement in corruption is often exaggerated. At the same time, it is often used for political purposes.³⁵ The Mafia, for example, is hardly the principal source of economic crimes; that status belongs to conniving white collar businessmen. The kickbacks or other favors that some corporations give politicians rival anything the mob offers.³⁶

Official corruption, however, is a means of survival for organized crime.³⁷ For this reason organized crime families are willing to invest heavily in the cultivation of political friendships and favors.³⁸ Apparently, each crime family has at least one person who acts "the corrupter" of law enforcement officials and political officials.³⁹ To survive, organized crime's goal must be to influence, evade, or nullify the processes of government.⁴⁰ Indeed, official corruption is so important to organized crime that any effective battle against organized crime must include a front against official corruption.⁴¹

B. Patterns of Corruption

1. Legislative

In 1894, Mark Twain, with his usual cynical wit, wrote: "It could probably be shown with facts and figures that there is no distinctly American criminal class except Congress."⁴² In 1976, it was speculated that "Congress is probably cleaner than usual and in the midst of a major transition to a more open, professional, and effective body."⁴³ Scandals in the past few years have revived and nourished the old cynicism toward the moral make-up of this nation's legislators and

legislatures.

Legislative corruption offers many rewards; it also takes many forms. Often it is more effective, as well as more efficient, to receive favorable legislative treatment than to try to frustrate enforcement of existing laws.⁴⁴ Probably the most common--and most familiar--form of legislative corruption is bribery. Legislators have accepted bribes in exchange for their votes⁴⁵ or influence⁴⁶ or efforts to affect the outcome of criminal proceedings.⁴⁷ At the federal level, an area of abuse that has received recent attention has been soliciting and accepting bribes from aliens in the United States, on whose behalf a congressman may introduce a special bill authorizing citizenship.⁴⁸ Although such bills are rarely successful, their introduction may significantly delay deportation proceedings.⁴⁹

Closely related to bribery, extortion is another common form of legislative corruption. Legislators have been accused of extorting money from persons or companies who could receive preferential or adverse treatment at their hands.⁵⁰ Misappropriation of public funds has also occurred. Legislators have been convicted of padding the payroll and extorting kickbacks from their staffs,⁵¹ as well as padding their payrolls with friends and relatives.⁵² They have also taken kickbacks from the awards of federal grant funds.⁵³

In addition, legislators, have cast votes in favor of powerful benefactors instead of their constituents.⁵⁴ Often, because such conflicts of interest, although not exactly ethical, are not illegal, the legislature itself or the voters must take action to correct the situation.⁵⁵ Unfortunately, legislative or voter action cannot always be depended upon; and even after conviction, legislators have been

re-elected.⁵⁶

What began in the spring of 1977 as an undercover investigation of art theft, securities forgery, and counterfeiting, grew by February 1980 into an exposure of one of the most far-reaching scandals in congressional history. A small scale anti-fencing investigation developed into the elaborate corruption probe--called Abscam--that eventually cost \$800,000., involved more than 100 FBI agents in five cities, and resulted in the exposure of eight national legislators and at least two dozen lesser officials.⁵⁸

The initial sting operation involved a professional confidence man acting as an agent for a fictitious free-spending sheik. Supposedly, the sheik was seeking to make all the money he could before his country fell to religious zealots, as Iran had; he also desired permanent sanctuary in the United States, which would require the introduction of a private immigration bill.⁵⁹ The FBI thus set a stage across which a host of public officials would parade, who eagerly bargained away their public trust for personal monetary gain.

One of the first public officials to become involved in Abscam was the Mayor of Camden, New Jersey, Angelo Errichetti,⁶⁰ who also served as a state senator in New Jersey. Errichetti proved himself a valuable participant. Not only did his participation uncover the ease with which one might buy a casino license,⁶¹ but it was also responsible for the delivery of a United States Senator to the Abscam team.⁶²

Errichetti told New Jersey Senator Harrison Williams⁶³ about the benevolent sheik. After meeting with the Abscam team, the Senator was convicted of agreeing to take shares in a titanium mine located in Virginia in exchange for using his senate seniority to get defense

contracts for the mine and for introducing an immigration bill on behalf of the sheik.⁶⁴ Williams, a key man in government and defense contracts, knew the American government's need of titanium as well as the potential value of involvement with the mine; he also knew that he was committing a federal offense in helping the mining venture in return for a share of the profit. Nonetheless, Williams accepted phony stock certificates in exchange for his cooperation--in front of hidden FBI cameras.⁶⁵

Other congressmen eager to assist the sheik included Michael Myers,⁶⁶ Raymond Lederer⁶⁷ and John Murtha,⁶⁸ all from Pennsylvania. The FBI filmed Myers and Lederer accepting \$50,000 for their promises to sponsor personal immigration bills.⁶⁹ Murtha agreed on film to accept and split \$50,000 with other politicians, although he never showed to collect.⁷⁰

The congressional participants were not limited to Pennsylvania congressmen. New Jersey Congressman Frank Thompson promised to help the sheik solve his immigration problem in exchange for \$50,000, while New York Congressman John Murphy took a bribe to insure the passage of Federal legislation that would make the sheik's shipping industry more profitable.⁷¹ South Carolina Congressman John Jenrette,⁷² while nervous,⁷³ was no less eager⁷⁴ than his colleagues to aid the sheik for the offered \$50,000.

The last congressional participant in the Abscam scheme was Richard Kelley⁷⁵ from Florida. Kelley did not meet with the Abscam team alone. Gino Cuizo, a member of the Bonanno mob of New York, accompanied Kelley to the meeting.⁷⁶ Kelley stuffed \$25,000 in his pocket, telling an undercover agent, "I'm glad to be associated with you.... let's do

it."⁷⁷

Although there were indications that more public officials may have been willing to sell their public trust,⁷⁸ the Abscam investigation was terminated in February 1980.⁷⁹ When publicized, the FBI's sting confirmed the public's cynical attitude that money can buy a legislator's loyalty and influence.

2. Executive

Corruption of the executive branch apparently exists at all levels of government. It does not matter whether the executive actively participates in corrupt activities or simply turns his head, for corruption can flourish through sins of omission as well as commission.⁸⁰

At the Federal level, the Nixon Administration serves as the most notorious example of executive corruption in recent years.⁸¹ Not only did a President resign under a cloud of suspicion, but also a Vice President resigned while under indictment. In 1973, Vice President Spiro T. Agnew resigned from office and pleaded nolo contendere to a charge of failing to report \$29,000 of income.⁸² At the time, Agnew was under investigation for multiple charges of alleged conspiracy, extortion, and bribery; he was sentenced to three years of unsupervised probation and fined \$10,000.⁸³ In 1981, a Maryland judge ruled that, despite years of denials, Agnew took thousands of dollars of bribes while he was Governor of Maryland and Vice President.⁸⁴ The judge ordered Mr. Agnew to repay the state \$147,500 in kickbacks, with interest of \$101,235. Attorneys for the taxpayers in the case claimed that the decision served as a message to public officials that they "can't take it with them."⁸⁵

At the state level, another Marylander was involved in corruption. In 1975, Governor Marvin Mandel and five associates were indicted on mail fraud and racketeering charges. The twenty-three count indictment alleged that Mandel accepted financial interests in two friends' businesses in exchange for influencing racetrack legislation.⁸⁶ Mandel and his codefendants were found guilty in 1977.⁸⁷

A message seemed to emerge from the Mandel case that misconduct by public officials that might have been tolerated in the past would be attacked today by the press and prosecutors.⁸⁸ Former Tennessee Governor Ray Blanton, who was accused of one count of conspiracy, one count of extortion, and eight counts of mail fraud, did not heed the message. In testimony during Blanton's kickback trial, Jack Ham, a liquor store owner and former Blanton supporter described an alleged arrangement that required him to return twenty percent of his profits to Blanton in exchange for an exclusive retail liquor license. Mr. Ham also said that he paid about \$23,000 toward retiring a bank loan for Blanton.⁸⁹ Former alcoholic beverage chairman, S. J. King, testified that commission officials voted the way the Blanton organization wanted them to vote on granting and transferring of liquor licenses as "the way we could help friends." One of the biggest controversies of the Blanton administration centered on his decision to pardon a murderer who was the son of one of his leading patronage officials. He also granted executive clemency to 51 other prison inmates. As Mr. Blanton prepared to finish his term of office, aides and relatives went from one state regulatory agency to another securing licenses for themselves.⁹⁰ Mr. Blanton is only the third governor to be tried on Federal criminal charges.⁹¹

Corruption is the most pervasive and least controlled at the local level.⁹² The corruption of the mayors in New Jersey provide a classic example of old style big-city corruption.⁹³ A Federal grand jury indicted Hugh J. Addonizio, Mayor of Newark, New Jersey's largest city, and 14 others, including 10 public officials and a Mafia leader, on charges of sharing \$1.5 million in kickbacks extorted from contractors doing business with the city. On July 22, 1970, Addonizio was convicted and sentenced to 10 years in prison and fined \$25,000.⁹⁴

About 10 years later, another New Jersey mayor brought New Jersey back into the limelight of official corruption. Angelo J. Errichetti, Mayor of Camden, New Jersey during the Abscam investigation, offered or gave FBI agents hot diamonds, guns and munitions, forged C.D.'s., counterfeit money, stolen paintings, leasing contracts, municipal garbage contracts, unregistered boats for dope running, the use of Port Camden as a narcotics depot, Atlantic City zoning changes, a list of thirteen bribable state and city officials, as well as the vice chairman of the State Casino Control Commission, the chairman of the New Jersey State Democratic Committee, and directly or indirectly five United States Congressmen and a Senator.⁹⁵ Errichetti himself was subsequently convicted of bribery.

Suburban corruption, a form of local corruption, is also a rapidly growing pattern of official corruption in the executive branch.⁹⁶

Professor John A. Gardiner, of the University of Illinois at Chicago Circle, observes:

In recent years we've seen massive corruption in connection with suburban real estate...crossroads towns [are] having to make decisions in which large dollar amounts are at stake. The temptation to cash in on it is, sometimes more than the town's officials can resist.⁹⁷

The corruption scandals in Baltimore County that eventually led to Spiro Agnew's resignation are a textbook example of the new suburban corruption.⁹⁸ Baltimore County experienced rapid growth after World War II, which increased demands for public services, particularly highways. Suburban voters were willing to pay handsomely to get to work and contractors were willing to do most anything to get a piece of the action. The absence of effective bidding regulations placed a great deal of power over government contracts in the Baltimore County executive.⁹⁹ Both Spiro Agnew and Marvin Mandel got their starts as Baltimore County executives.¹⁰⁰

Where there is extensive development activity and regulatory decision making, corruption often follows.¹⁰¹ In Atlantic City, a pattern of close relations between casino developers and local government officials has emerged since gambling was approved in 1976.¹⁰² Other regulatory agencies are often similarly vulnerable to corrupt practices.¹⁰³ Liquor control boards are often involved in corruption.¹⁰⁴ It is a common fact that liquor licenses are sold by local politicians and that operating violations are ignored in return for undercover payments in the form of campaign contributions. As such, corrupt businessmen as well as organized crime have a major stake in the regulating liquor retailing.¹⁰⁵

3. Criminal Justice System

The existence of organized crime--or any other form of systematic unlawful behavior--depends on favorable treatment from the criminal justice system.¹⁰⁶ Each of the principal components of the criminal justice system--law enforcement, prosecution, and courts--are closely interrelated. If one sector is effectively corrupted, it nullifies and

leads to the corruption of the other sectors.¹⁰⁷ Neither corrupt businessmen nor organized crime has bought or needs to buy out the entire system. Successful corruption of key individuals in any component allows unlawful behavior to continue virtually unabated.¹⁰⁸ Such corruption can take differing forms in key sectors of the criminal justice system. Preventive corruption consists of efforts to corrupt the process of law enforcement, thus obtaining permission to operate unlawful activities without interference. Anticipatory corruption is the corruption of judges, prosecutors, and key politicians in anticipation of needed favors. Interfering corruption consists of attempts to hinder or interfere with the successful outcome of the criminal justice process. Interference occurs at all levels, during the initial investigation, the execution of raids, prosecution, adjudication, the imposition of sentences, and the correction process.¹⁰⁹

a. Legal

Legal discretion accorded to prosecutors and judges makes them favorite targets of those seeking favors through corruption. Because this discretion is seldom reviewable, detecting its abuse is difficult. Dollar for dollar, however, the best buy in the protection of criminal activities is the prosecutor. He has the crucial decision whether to prosecute or not.¹¹⁰ He can provide immunity from legal accountability.

Prosecutors may be corrupted in an effort to buy protection from prosecution,¹¹¹ or to sabotage a case.¹¹² A prosecutor may also aid organized crime by virtue of his own greed.¹¹³ It is, however, not necessary for a prosecutor to be corrupt to be useful to organized crime. In order to battle organized crime effectively, the prosecutor must affirmatively and creatively use the legal tools available to

to him--the grand jury subpoena, the immunity grant, civil contempt, the selective threat of perjury prosecution, electronic surveillance, etc. A less than dedicated¹¹⁴ or less than able prosecutor¹¹⁵ can inadvertently assure organized crime the same protections a corrupt one could. Often, the appointment of such a prosecutor is the aim of organized crime's considerable political influence.

Next to the corruption of the prosecutor, the corruption of a judge proves to be most valuable to organized crime. Patterns of scheduling, adjudication, and sentencing all fall within the court's discretion. Trial judges may be paid¹¹⁶ or demand favors¹¹⁷ for favorable rulings. At the trial itself, verdicts may be directed, instructions may be tailored to produce not guilty verdicts, or the process aborted by imposing only nominal fines where imprisonment is indicated.¹¹⁸ After conviction, appellate judges, too, may be bought.¹¹⁹

Not only is prosecutorial or judicial corruption difficult to detect, but once detected it is difficult to prosecute. Conventional evidence-gathering tools are often insufficient. As elected or appointed officials, judges and prosecutors are figures of stature in the community. Since bribery is a private act between willing participants, the prosecution of a bribery charge depends primarily on the testimony of an accomplice, a witness whose credibility can be easily impeached. The involvement of organized crime figures guarantees that any witnesses are likely to be fearful of testifying.¹²⁰ Nonetheless, significant indictments and convictions have been obtained, if only for perjury rather than for the substantive offense.¹²¹

b. Investigative¹²²

Law enforcement officers are on the front line of society's war against crime. Perhaps that is why there are so many casualties among this group - not from bullets but from corruption.¹²³

Corruption among investigative agencies has been a serious problem for many years. Since before the turn of the century, for example, major probes of police corruption in New York City have occurred on an average of one every twenty years. Corrupt conditions exposed by one investigation seem substantially unchanged when the next investigation comes along.¹²⁴ Although not the only form of official corruption, police corruption constitutes a substantial portion.¹²⁵ The sheer numbers of police present more opportunities for corruption.¹²⁶ It is also possible to corrupt a police officer in more overt ways than a judge or prosecutor.¹²⁷ Police corruption presents a special area of concern. When the law enforcement apparatus of a community is tainted, corruption can flourish in the whole system.¹²⁸ One of the most important concerns, too, is the public attitude police corruption creates. To most people, the police officer is the law. An individual officer's corruption, therefore, may be interpreted as corruption of the entire system.¹²⁹

From the perspective of corruption, police officers have been classified into three groups:

... I call them the birds, the grass eaters, and the meat eaters. The birds just fly up high. They don't eat anything either because they are honest or because they don't have any good opportunities. You've got to figure that half the force is in jobs...The Tactical Police Force and the Safety Division, for example...where there are little or no pickups. The grass eaters, well they'll accept a cup of coffee or a free meal or a television set wholesale from a merchant, but they draw a line. The meat eaters are different. They're out looking. They're on a pad with gamblers, they deal in junk, or they'll compromise a homicide investigation for money....¹³⁰

The term "soliciting" describes the actions of the "meat-eaters," those officers who aggressively misuse their police power for personal gain. The activities of such police officers are partially conditioned by the opportunities their assignments present to them, that is, plainclothesmen generally have more opportunity than uniformed police and those entrusted with control of vice generally have more opportunities than those assigned to direct traffic. Accordingly, the kinds and sources of payoffs provide a convenient organizing principal for examining the practices encompassed by the term soliciting.

"Pads" or "steady notes" are names given to a regular payment of money for violations of the law.¹³¹ A pad may be arranged under threat of arrest or complaint. Under some circumstances, a person starting an illegal operation will arrange beforehand to make payments in order to improve his opportunities for bargaining over the size of the tribute.¹³² Typically, pads are cooperative ventures that protect intentionally unlawful activities. Thus, complaints are few, and all participants have a vested interest in making their conduct as hard to trace as possible. Pads are collected by a "bagman" and pooled for distribution to those in on the action. Command officers sometimes have a separate pad, and when they participate in the general pad, it is usually on a multiple share basis.¹³³ The share per man or the amount paid by a briber is known as the "nut."¹³⁴ Understandably, long-term fixed-location enterprises are the most frequent source of pads.¹³⁵

The numbers racket and other overt gambling operations present a clear opportunity for this kind of bribery.¹³⁶ The Knapp Commission reported that the nut for protection of gambling in some New York City districts ran as high as \$1500 per policeman per month. Reassignment

of entire plainclothes squads resulting from corruption investigations indicates that the practice was widespread and pervasive.¹³⁸ In addition gambling pads often involve supervisory police personnel.¹³⁹

The pad in a gambling operation pays for protection from all but token police harrassment. The services bought include freedom from arrest by officers on the pad and prevention of or warnings about impending raids by those not on the take.¹⁴⁰ When arrests under pressure of a quota are needed, the gambler often is allowed to select an underling, with a relatively clear record, or a paid-off addict as a "stand in."¹⁴¹

Heavily regulated legitimate industries are another lucrative source of police payoffs. The construction industry must deal with a maze of regulations concerning building techniques, specifications of practices, standards, and safety measures. A large construction project in New York City, for example, may be required to obtain as many as 130 permits to achieve technical compliance with all regulations, a task which is virtually impossible to fulfill. Those charged with enforcement, including the police, have been paid for many years to ignore minor infractions.¹⁴² The pads for police, usually solicited under threat of harassment,¹⁴³ tend to be small, since only minor penalties are imposed for building code violations.

Motels, hotels, restaurants, and most importantly, liquor stores and bars are licensed premises subject to regulation and periodic license renewal. The dependence of these businesses on the continuation of their license status has traditionally put them at the mercy of those persons charged with enforcing the regulations controlling such establishments, including the police.¹⁴⁴ The method of solicitation

is common:¹⁴⁵ the policeman finding a technical violation threatens to endanger the operation's license by filing an official report. The price for protection from harassment is agreed upon and regular collections are made. The money paid protects the licensed premises from harassment, and in the case of bars, it may also pay for altering police reports of fights between patrons.¹⁴⁶ Since protection of the license is vital to continuation of the business, the tributes demanded are likely to be large. The situation is exacerbated by the frequent use of bars by persons involved in other illegal conduct, including prostitutes, drug dealers, and petty fences.

Other businesses seeking protection from enforcement of laws affecting them may also pay tribute. Where parking restrictions are strict, restaurants, cab and trucking companies, and manufacturers may pay to have violations overlooked.¹⁴⁷ Unlicensed bars may pay in order to continue in operation.¹⁴⁸ Pads may also be paid for non-enforcement of Sabbath laws and regulations concerning peddlers.¹⁴⁹ Prostitution, particularly in fixed locations such as brothels and massage parlors, is also a source of regular payments.¹⁵⁰

A "score" or "shakedown" is a one-time payment that buys the freedom of a person subject to arrest.¹⁵¹ Particularly in narcotics cases¹⁵² the payoffs can be startlingly large.¹⁵³ While narcotics-related bribery has been traditionally regarded as "dirty" money, changing mores and high profits are motivating increasing relaxation of the traditional inhibition against such bribery.¹⁵⁴ In addition, lenient courts give police a rationalization for proceeding vigilante-style to "punish" drug offenders.

Motorists and tow-truck operators provide a steady source of small

scores. When a motorist depends on a drivers' license for his livelihood and can lose it for too many traffic citations, he may be tempted to offer a bribe for overlooking an infraction.¹⁵⁵ Tow truck companies often obtain repair business from the owners of vehicles they tow. Therefore, towing companies compete for this opportunity to get the highly profitable repair business. The police may be paid to steer business to one company or another and to ignore the traffic violations committed on the way to the scene.¹⁵⁶

Policemen on the take may also score any other target of opportunity that presents itself. Gambling, prostitution, bars, and construction sites may be scored if not protected by a pad.¹⁵⁷ Loansharks and fences may be scored at will.¹⁵⁸ A score is inherently a less cooperative venture than a pad, which limits to some degree the policemen on the take. Complaints are more frequent in score cases than in pad cases, particularly if the extorted party comes to believe that he could have avoided conviction after the payoff.

The illegal withholding of money or contraband seized while making an arrest is closely related to the score. Normally, money and contraband are held as evidence. Gambling and narcotics arrests frequently involve confiscation of large sums of money and large quantities of contraband.¹⁵⁹ These materials are sometimes withheld for personal use or for use in buying information from informants.¹⁶⁰ There have been reports of policemen-addicts and policemen-pushers who obtain drugs in this manner.¹⁶¹

Police may use illegally withheld drugs for "padding" the quantity of drugs found in the possession of an arrested person, thus upgrading the offense with which the persons arrested will be charged. A related

phenomenon in the planting of drugs on an innocent person is known as "flaking" or "farming."¹⁶² Padding and flaking are sometimes motivated by arrest quota pressures, the desire to "get" someone whom the policeman "knows" is guilty, or the desire to use the arrest situation for a score or for extorting information. A variety of other abuses of police authority and power may accomplish similar ends. Illegal searches and wiretaps may be used to set up a score or obtain information.¹⁶³ Perjured applications for search warrants are a common tool for obtaining incriminating evidence.¹⁶⁴ Policemen may extort information from reluctant informants. Rubinstein's study of the Philadelphia police department has led him to conclude that these illegal corruption-facilitating techniques are an unavoidable reality of vice law enforcement.¹⁶⁵

Corrupt police officers are sometimes paid for services they render, such as selling confidential information to unauthorized persons.¹⁶⁶ The information sold may be as harmless as a list of vehicles held in police pounds (which could be sold to a finance company seeking to repossess the cars) or as important as the time and location of a planned raid or the fact that a particular individual is under official investigation.¹⁶⁷ Policemen sometimes protect, actively or passively, planned illegal operations such as hijackings.¹⁶⁸ Some police accept court-related payoffs. The money paid may buy a weakly written or technically deficient complaint that will result in a dismissal. Alternatively, evidence or testimony can be altered to assure suppression of key evidence, reduction of charges, or acquittal.¹⁶⁹ In 1960, a New York City grand jury probed alterations of police records.¹⁷⁰

One last area of active corruption must be noted. When responding to a burglary report, corrupt policemen have been reported to steal goods or merchandise, thus compounding the theft.¹⁷¹ Some officers will call in false reports to gain access to buildings for theft.¹⁷² In a similar, if more grisly vein, corrupt policemen have been known to remove valuables from the body of a person who dies before arriving at a hospital. If the person is known to have lived alone, his apartment or home may be looted by the police.¹⁷³

The patterns of corrupt behavior just described are what is most often called police corruption. These practices are restricted, in the view of most investigators, to a minority of the members of any particular force.¹⁷⁴ Other activities--arguably involving less than "corrupt" behavior--include the acceptance of gratuities offered to a policeman by virtue of his official capacity. These practices are best described as "accepting." They are important because of their pervasiveness and the resultant climate in which a "code of silence" among policemen develops.¹⁷⁵ Policemen who are themselves vulnerable are less likely to expose other corrupt policemen for fear of endangering their own positions. Accordingly, it has been theorized that the pervasiveness of "accepting" encourages those policemen with a predilection for engaging in more serious forms of corruption.¹⁷⁶ Finally, acceptance of gratuities may come to be regarded as a right that is enforceable by extortion.¹⁷⁷

The most widespread forms of accepting involve free meals, drinks, hotel rooms, and other day to day amenities. A restaurant or bar may decline to charge a policeman for food or drinks or may charge at a reduced rate. The establishment may be merely expressing good will or

may be encouraging police presence in hopes of avoiding trouble from patrons. The establishment may be buying consideration, discretion, and quick response in the event of future trouble. Similarly, hotels will frequently give gratuities to policemen in the form of free or reduced rate rooms and meals. The corner drugstore may donate an occasional pack of cigarettes and the grocery an occasional candy bar. Abuses of these "privileges" are possible. Policemen have become alcoholics because they checked liquor licenses too frequently;¹⁷⁸ the restaurateur who cuts out free meals may find himself harassed with numerous citations.¹⁷⁹

A slightly more suspect form of accepting parallels the familiar practice of Christmas tips to the newsboy, mailman, and garbage collector. Often voluntarily, local merchants and businessmen contribute to a Christmas pack that is divided between policemen serving the area.¹⁸⁰ The acceptance of voluntarily offered tips may be formalized into systematic shakedowns of local merchants. Investigation of such shakedowns may expose participation of high ranking police officials.¹⁸¹ These and similar voluntary payments sometimes represent expressions of gratitude by civilians for work done, as when an owner of a stolen car tips the policeman who recovered it. Policemen may even tip their fellows who are not in a position to obtain gifts from civilians to expedite routine clerical work.¹⁸²

Corruption may go beyond individual veniality. There are several different ways to corrupt the process of law enforcement itself. It is possible to corrupt virtually an entire police force.¹⁸³ It is, however, not terribly efficient or economical. It makes much more sense to gain control of police policy by gaining control of key

individuals.¹⁸⁴ By this technique, the day-to-day performance of the honest men may be undermined or nullified. It is possible, for example, to adopt the policy of a "wide-open town."¹⁸⁵ It is also possible to have the department organized so that the need to corrupt is minimized or the possibility of effective police action virtually eliminated. A classic technique of corruption is the "vice squad pattern."¹⁸⁶ Police activity against the major endeavors of organized crime is centralized in one special squad in the department. Men not assigned to that unit are required to refer organized matters to the exclusive unit. It is thus necessary only to corrupt that unit to subvert police activity. Indeed, it may not even be necessary to corrupt that unit. If you organize and operate it so poorly that its members become known throughout the community, its effectiveness will terminate without the necessity of actual corruption.¹⁸⁷

Law enforcement may also be affirmatively corrupted. It is possible to use the police to eliminate your competitors.¹⁸⁸ Selective law enforcement has its advantages. It helps create an illusion of honest enforcement, while it secures the reality of illegal monopoly.

It is possible, too, to build planned illegalities into enforcement techniques, which will cause even honest courts to throw out cases on the grounds that constitutional rights have been violated. The practice is known as the "tipover raid."¹⁸⁹

It is difficult to pinpoint the causes of corruption. Several theories have been advanced. First, the "bad apple" theory¹⁹⁰ suggests that it is not reasonable to look for an explanation of corruption for two reasons: 1) corruption is limited to a few "bad" policemen; and 2) generalities concerning the cause of police corruption, if there are

any, will be found in the common personality characteristics of individual corrupt policemen. Typically, the strongest proponents of this theory are members of the upper echelons of police hierarchies, who presumably advance it to counter charges of general corruption. The theory seems to prescribe vigilance and strict discipline as a solution to corruption within a department and strict screening procedures to keep the department clean. Unfortunately, this theory is also sometimes used to cover up departmental inability or unwillingness to cope with a substantial problem and make systemic reform. Nevertheless, this explanation fails to account for the widespread practice of "accepting," and to the degree that it acts as a rationalization for failing to make needed reforms, it may be harmful.

Second, several investigations have advanced the theory that the inherent pressures of police work make corruption inevitable. Rubinstein in particular believes that the pressures to make vice arrests compel behavior patterns that tend to lead to corruption.¹⁹¹ Various segments of society, honest and otherwise, often attempt to buy official good will, official protection, or official inaction in response to the perceived benefit or threat that a policeman poses. Policemen as a group tend to perceive society as hostile to their role.¹⁹² These factors combine to create a climate in which peer pressure makes it hard for a rookie to remain honest, despite his conscious intention to do so.¹⁹³ This theory suggests that there are few practical techniques short of massive decriminalization of police regulatory activity for combatting corruption, other than intensive campaigns to prosecute citizens who attempt to bribe policemen.

Third, the Knapp Commission also advanced the related theory

that the enforcement of certain classes of laws placed policemen into situations where the temptation to slip into corrupt practices is too strong. Their recommendations are the decriminalization of many practices now covered by the vice laws and the shifting of enforcement responsibilities for other laws from the police to agencies in which society can better afford corruption.¹⁹⁴ The failings of this theory are its apparent acquiescence to the problem and the counterproductive precedent that the solution it proposes might establish. Little can be accomplished without a massive shift--unlikely to occur--in regulatory roles. Furthermore, if every corruption hazard were removed from the province of police enforcement, it would then be possible to envision the day when police forces were left with nothing to do but control the corruption of other enforcement agencies.

Fourth, several commentators have expressed the belief that the widespread practice of accepting gratuities creates a climate in which policemen predisposed to aggressive "soliciting" may proceed with little fear of harassment.¹⁹⁵ The "code of silence" created by this practice protects "acceptor" and "solicitor" alike. This theory presents both a remedy and an investigative tool. If the acceptance of gratuities can be curtailed by prosecuting both those who offer and those who accept gratuities, then policemen entering a department will not become involved, and the "code of silence" will eventually be broken. A policeman willing to testify about police corruption may prove very valuable.¹⁹⁶ Yet, the obvious problems presented by the prosecution of every restaurant owner who offers a free meal and every policeman who accepts it underscore the practical limitations of this theory.

Fifth, policemen in some cities are commonly regarded to be on the

take even if they are honest,¹⁹⁷ an attitude that tends, according to some, to become as a self-fulfilling prophesy. In general, people tend to act as others expect them to act. Consequently, the result is the creation of a climate in which corruption becomes the expected norm.

Sixth, along more practical lines two related theories speculate that weak criminal sanctions and tax enforcement actually produce corruption. Where convictions are obtained in a low percentage of prosecutions and the sentences imposed are minimal, the police may be tempted to "punish" a perceived criminal vigilante-style. The result may be a narcotic score or a gambling pad. Illegal investigating techniques may also be used to harass an illegal operation. Although inapplicable to all forms of corruption, this theory does suggest that prosecutions that lead to a higher conviction rate and stiffer sentencing may remove the rationalization supporting some corrupt police practices.

Seventh, along similar lines, low conviction rates¹⁹⁹ and mild sanctions suffered by corrupt policemen may encourage a policeman to take his chances with profitable corrupt practices. Indeed, some police departments will allow corrupt policemen to retire with pension while under investigation for corruption.²⁰⁰ The need to rethink these policies is manifest.

It would be comforting--at least for some--to believe that law enforcement corruption was limited to the local level. Unfortunately, no agency--local, state or Federal--is, apparently, immune from corruption. The FBI, for example, enjoyed a reputation of incorruptibility. Former FBI Director J. Edgar Hoover, it has been suggested, made possible this reputation by having agents solve bank

heists and kidnapping, rather than investigations like narcotics that dealt with vast amounts of money that could easily encourage corruption among agents.²⁰¹ Many observers believe that Hoover's concern with internal corruption explains his refusal for so long to admit to the existence of organized crime.²⁰² Hoover feared, according to some, that its huge financial resources might be too much for some FBI agents to resist.²⁰³

There may be some truth to Hoover's reputed fears. Now that organized crime and white-collar crime have become top FBI priorities, agents have, in fact, become more vulnerable to corruption. Indeed, a recent series of twenty-three murders of FBI underworld informants and possible government witnesses in a two-year period have raised questions of possible leaks or sellouts within the FBI.²⁰⁴ While maintaining their traditional cool on the outside, the killings so disturbed FBI officials that they set up a special squad in Washington to investigate the matter, completely revamped their procedures for handling underworld informants,²⁰⁵ and came to think the unthinkable: that the Mafia may have succeeded in penetrating the FBI.²⁰⁶

In 1975, Irene Kuczynski, then 22, of Bayonne, New Jersey, testified that when she worked as a clerk typist she stuffed photocopy documents into her purse and girdle and gave them to her husband, who sold them to John DiGilio. Among the documents were names of informants, two of which were among the victims of the .22 caliber killings. Mrs. Kuczynski was the first FBI employee to be convicted of a felony since 1924.²⁰⁷ There are indications, however, that had she been an agent her corruption would not have been so thoroughly exposed.²⁰⁸

The FBI office in Indianapolis was also shadowed by a cloud of suspicion of internal corruption.²⁰⁹ Close to 50 percent of the agents were transferred within a year. Internal problems came to light in late 1977 when seven-year FBI veteran Charles E. Egger raised questions about the conduct of several fellow agents.²¹⁰ It became apparent that important racket figures had escaped prosecution by the FBI for years by serving as FBI informants and in some cases using their roles to hurt competitors.²¹¹ In the meantime, a hoodlum network grew and flourished, forming police, political, and labor alliances, which the FBI knew about, but took no action to stop.²¹² Indianapolis, too, has not been the only office to experience problems. In New York City, agent Joseph Stabile admitted guilt to obstruction of justice, after he was charged with taking \$10,000 from a man described as a bookmaker associated with an organized crime family.²¹³ In Las Vegas, field agents came under quiet investigation for allegedly accepting gifts from officers of gambling casinos with reputed organized crime ties.²¹⁴ FBI agents still remain the best law enforcement officers in the country, but it must be recognized that the exceptions pose a serious danger to the integrity of the Bureau, and the problem of corruption ought not be avoided merely to protect the reputation of the FBI; in the long run, exposing internal corruption will itself save the FBI's integrity, particularly, when it is exposed through internal action.²¹⁵

C. Effects of Official Corruption

On July 14, 1967, Newark, New Jersey, erupted into four days of racial rioting. Twenty-six persons were killed, more than 1,000 were injured, and more than 1,000 were arrested. National Guard troops in tanks patrolled the streets of burnt-out buildings and looted stores.

Property damage was estimated at more than \$10 million. A commission appointed by the Governor to investigate the riot and to make recommendations to prevent a recurrence listed as one of the major causes of the violence "a pervasive feeling of corruption."²¹⁶

Accordingly, one of the most serious consequences of the encroachment of organized crime-related and similar corruption into the fabric of government are the effects on the attitudes of the people toward their police, public prosecutors, courts, and other agencies of the state.²¹⁷ Corruption breeds cynicism and distrust among citizens.²¹⁸ Disrespect is entrenched in the minds of individuals who witness members of police departments, prosecutors, courts, or the private bar involved with organized crime or other criminality.²¹⁹

Some experts contend that the public does not really want the laws enforced as long as they do not see themselves being hurt by the law breakers,²²⁰ an attitude, which, if it exists, obviously ignores the effects of corruption on government in its overall responsiveness to the governed.²²¹ The public pays for this complacent attitude in a decrease in the efficiency and responsiveness of government. It is conceivable that this lax attitude as well as the mistrust, cynicism, and disrespect for the law generated by official corruption may generate even more corruption and even less enforcement.²²²

Obviously, official corruption also has economic repercussions. The public pays decrease in the revenue to government from tax-evading criminals.²²³ Millions of dollars are bilked each year from the U. S. Treasury through white-collar schemes frequently with criminal participation of government officials and employees.²²⁴ Victims are too often citizens or small businesses that can ill afford financial

loss.²²⁵ The cost of government itself increases through increased service costs, law enforcement, and building costs.²²⁶

D. Law Enforcement Response

At the Federal level, the Department of Justice is the focus of efforts to control organized crime and official corruption. Several divisions within the Department have jurisdiction in these areas. The Tax Division is responsible for representing the United States and all its officers in both criminal and civil litigation arising under Internal Revenue laws.²²⁷ Criminal tax prosecution ranks as a high priority for 1980.²²⁸ The criminal tax prosecution program is responsible for prosecuting and deterring violations of the criminal tax laws of the United States. This program constitutes a substantial component of the Department's White Collar Crime Program; it also provides support to the Justice Department's Organized Crime Program, by contributing appropriate attorney staff assistance and expertise in the review, investigation and prosecution of organized crime figures for tax violations.²²⁹

The Criminal Division itself is responsible for the supervision of prosecution and related activities arising under most Federal criminal statutes.²³⁰ Within this division, the Organized Crime and Racketeering Section provides coordination and supervision of all Criminal Division efforts directed against organized or syndicated criminal activity and for racketeering.²³¹

Recognizing the gravity of the official corruption problem, the Justice Department also created the Public Integrity Section within the Criminal Division in 1976.²³² The Public Integrity Section is charged with enforcement of the Federal criminal statutes dealing with

governmental integrity at Federal, state, and local levels. The program provides a central authority for handling cases involving the violation of a wide variety of statutes by public servants. The Public Integrity Section is designed to consolidate Criminal Division supervision of and participation in enforcement of statutes aimed primarily at abuse by public officials (graft, election offenses, bribery, conflict of interest) and those statutes, capable of being violated by others, where such officials are involved (extortion, fraud, racketeering, perjury, obstruction of justice). The similarity of criminal activity in both situations, along with the need to combat corruption through the use of a broad spectrum of statutes, render this consolidation essential.²³³ The Public Integrity Section's responsibility for direct litigation and litigation support requires close liaison with all United States attorneys' offices, various internal investigation components of the federal government, and the Public Corruption Units of the FBI.²³⁴

The Federal Bureau of Investigation, another segment of the Justice Department, plays a most significant role in the fight against organized crime. Consistent with Justice Department priorities,²³⁵ the FBI has placed major emphasis on organized crime and white collar crime in fiscal year 1980.²³⁶ In its Organized Crime Program, the FBI has established as its long term goal to curtail systematically, effectively, and progressively the sphere of organized criminal influence and simultaneously reduce its impact on American society. To attain that long term goal, the FBI has set for itself the short term objective of directing innovative, responsive, and effective investigative techniques on a sustained level at the organized criminal element to

deprive it of its lucrative sources of revenue. This objective targets the most powerful leaders of the organized criminal element and their domains.²³⁷

White-collar crime²³⁸ investigation constitutes another top priority of the FBI. As in organized crime, white-collar crime often involves official corruption.²³⁹ The FBI has established as the program's long-term goal to detect, investigate, and provide investigative support in resolving white-collar criminal activities.²⁴⁰ As its short-term objective, the FBI emphasizes "quality over quantity," in an effort to maximize effectiveness by concentrating on more productive investigations.²⁴¹ Public corruption is one of the FBI's top investigative priorities within the White Collar Crime program. This selected targeting of FBI resources²⁴² is expected to achieve significant results involving corruption of public officials.²⁴³

A key to success in organized crime and official corruption investigations has often been the cooperation of government agencies with each other.²⁴⁴ At one time, the Internal Revenue Service was considered law enforcement's most effective weapon against organized crime.²⁴⁵ The Tax Reform Act of 1976²⁴⁶ severely restricts the activities of tax investigators and the information they can share with other law enforcement agencies.²⁴⁷ Some contend that these restrictions severely inhibit the fight against organized crime.²⁴⁸ At present, there is legislative enthusiasm for amendments to the act²⁴⁹ and IRS promises of closer cooperation.²⁵⁰

Clearly, the emphasis placed on organized crime and white-collar crime control by the Justice Department demands the use of innovative techniques of law enforcement, techniques that include the a variety of

investigative and prosecutorial tools such as expert auditing procedures, witness immunity, undercover "sting" investigations, and judicially-approved electronic surveillance installations and consensual recording devices.

Another aspect of the federal effort must be underscored. In most states, it has been federal rather than state law enforcement officials who have taken the lead in uncovering and prosecuting official corruption. Indeed, intensified federal attacks against corruption appear one of the more hopeful responses to post-Watergate's demands for cleaner government.²⁵¹ Federal prosecutors are attacking state and local corrupt officials by stretching existing Federal statutes that were originally targeted against other types of criminals, including mail swindlers, organized racketeers, and labor "goons."²⁵² The conviction of Otto Kerner, former Governor of Illinois and former United States Appeals Judge, is, for example, a major milestone in this respect. For the first time, the courts upheld the use of mail fraud to prosecute schemes "to defraud the state of uncorrupted services of elected and appointed officials."²⁵³ Originally aimed at labor violence, the Hobbs Act has been used in New Jersey, Illinois, and Pennsylvania to prosecute public officials who, instead of making overt threats against businessmen, use victims' fear of economic loss to extort a cut off the top of municipal and government contracts.²⁵⁴

Federal prosecutors have used these laws to uncover official corruption that might otherwise remain undetected. Most state and local authorities have been too preoccupied with street crime. They are also functionally unable to reach these problems, as they too often lack the sophisticated investigative tools and personnel that are necessary to establish a case of official corruption.²⁵⁵

One of the most successful techniques in uncovering official corruption is, for example, the corruption audit, a technique that requires trained accounting investigators. In New Jersey, former U. S. Attorney Herbert Stein developed a technique of going into a community cold, subpoenaing the books and records, and combing through them for traces of graft and corruption.²⁵⁶ Federal prosecutors around the country have successfully copied this technique.²⁵⁷

The undercover sting operation and the use of judicially-approved electronic surveillance installations or consensual recording devices are also important tools in uncovering official corruption. Often, the crimes involved in official corruption are consensual crimes that do not announce themselves. Undercover operations and electronic surveillance allow investigators to go below the layers of secrecy and reach the most sophisticated and potentially the most dangerous criminals.²⁵⁸ Without these techniques, a bribe between two consenting individuals may go unreported. If it is reported, one of the participants is often a less than trustworthy crime figure whose testimony is often impeachable against that of a public official with stature in the community. Undercover operations help the prosecution present cases with solid, direct evidence as opposed to circumstantial evidence. Testimony can be taken from a direct observer of the crime and augmented by unimpeachable video and oral tapes.²⁵⁹

The undercover operations and electronic surveillance techniques have been successful in linking some major organized crime leaders with official corruption. In conducting an investigation of the Kansas City mob, the FBI monitored more than 400 hours of conversation through telephone taps and bugs hidden in secret meeting places. The

transcripts revealed close ties between mobsters and public officials²⁶⁰ and led to the conviction of Nicholas Civella, the reputed boss of the Kansas City mob, on charges of conspiracy to bribe a public official.²⁶¹

In an undercover "sting" operation, code named "Brilab",²⁶² which was aimed at exposing corruption among public officials, labor organizations, and organized crime in the South and Southwest, the FBI netted another major organized crime leader. Carlos "the Little Man" Marcello, the reputed leader of the Mafia in New Orleans,²⁶³ was indicted on June 17, 1980 on charges of conspiracy to bribe Louisiana officials to participate in an illegal insurance scheme. The indictment was based largely on tapes from concealed recording devices worn by FBI undercover agents. Other indictments resulting from the undercover investigation include those of Billy Wayne Clayton, speaker of the Texas House of Representatives and then Lt. Governor of Louisiana James Fitzmorises, Jr. The FBI was particularly pleased with Marcello's indictment; it was the first time they had strong evidence linking him directly to a major crime.²⁶⁴

Abscam, however, provides the most recent and most publicized example of the use of the undercover operation and the use of electronic devices in uncovering official corruption. To set the stage for the elaborate corruption probe, the FBI implemented a Hollywood-like plot.

To make it all believable, the fictitious sheik, who was seeking a variety of favors,²⁶⁵ had a yacht called the "Left Hand," which the FBI borrowed from customs officials who had seized it from drug smugglers. The yacht was equipped with eavesdropping and recording devices and a crew of FBI deck hands.²⁶⁶ The sheik also had a \$1 million bank account

with the Chase Manhattan Bank.²⁶⁷ Video and audio bugged fronts included a Long Island office, hotel suites at Kennedy International Airport, Barclay Hotel in Philadelphia, and Regency Towers in New Jersey.²⁶⁸ The best-equipped front was a home rented by the FBI from a New York-assigned Washington Post reporter. It was a townhouse located in the expensive Foxhall Road area in Washington, D.C., furnished with antiques on loan from the Smithsonian. Renovation of the home included ultra-bright chandeliers, a false ceiling in the basement and an array of video-audio recording devices.²⁶⁹ Every meeting between the government agents and their middlemen, and the congressmen, their middlemen, and mobsters was videotaped. Video cameras equipped with special lenses aimed through the screens of dummy television sets, ceiling light fixtures, keyholes, and even needle-thin holes drilled into doors and walls. All telephones were wiretapped.²⁷⁰ Eventually, the entire operation cost some \$800,000, and it involved more than 100 FBI agents; it also resulted in the exposure of at least eight national legislators and a number of lesser officials for corruption and bribery.²⁷¹

The Justice Department, however, cannot curtail organized crime or official corruption by itself. The courts, too, must sentence organized crime and white-collar offenders appropriately.²⁷² Congress has facilitated that effort by authorizing heavier sentences.²⁷³ It is argued that prison sentences have a great potential for deterring white-collar crime, which often involves official corruption, under the assumption that these offenders weigh the risks against the expected gains before they commit the illegal acts.²⁷⁴ With the Justice Department's new efforts, there ought to be an increased fear of getting caught, and, with the cooperation of the courts, an increased fear of the consequences.

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A. Introduction

The President's Crime Commission in 1967 thought that drugs constituted the third chief source of profits for organized crime, after gambling and loan sharking.¹ Much has transpired since 1967. As Peter B. Bensinger, the Administrator of the Drug Enforcement Administration has noted, the "composition [today] of organized crime in drugs varies from place to place, from year to year, and from drug to drug."² Yet, as "different as the many groups are, they are also...similar."³ In most cases, they are, in fact, "sophisticated organized criminal syndicates with a corporate-like structure and motivated by power and profit."⁴ While sophistication is common in all organized crime involvement, the degree of sophistication varies according to each type of drug.⁵ An organization that smuggles marijuana from Mexico will vary markedly from one that smuggles heroin from the Middle East. Where the organization is sophisticated, however, it may have "financiers, bankers and banks, lawyers, logistic experts, exporters, importers, wholesalers, and retailers;" other members in the organization may include recruiters, financial advisors, contact men (who recruit pilots, seamen, people to locate off-load sites, truck drivers, etc.) and purchasers who will buy and lease aircraft and ships.⁶

In the early 1970s, it was thought that only nine major drug systems in fact supplied the United States with 80% of the heroin, 100% of the cocaine, tons of the marijuana, and millions of doses of dangerous drugs.⁷ That too, has changed.

While heroin has been the big money maker,⁸ new patterns of drug distribution have emerged. Traditionally, groups tended to traffic in one principal substance.⁹ Today, the procurement and distribution of

several is common, and the traffic in each substance is no longer monopolized by a few groups, a fact that is particularly true of the marijuana trade out of Latin America.¹⁰ While heroin availability has in fact decreased in recent years,¹¹ there has been a quantum jump in cocaine, marijuana, and P.C.P. use,¹² and heroin has been displaced by marijuana as the most lucrative illicit drug.¹³ Each drug, nonetheless, merits close and separate examination.

B. Heroin

1. Introduction

Heroin is the primary addictive drug used in the United States.¹ In 1974, an estimated 450,000 addicts used eight to ten tons of heroin a year.² It is also the most lethal drug. For much of the period from 1965-1980, heroin was the number one cause of death between the ages of 15-35.³ In 1965, the heroin problem was confined primarily to inner-city ghettos. During the late 1960's and early 1970's, heroin use spread across the nation, becoming so widespread that the President of the United States declared narcotics Public Enemy Number One in 1971.⁴ During the last decade, the flow of heroin to the United States has fluctuated, as the government has been able to curtail several sources of supply. Nevertheless, by 1980, despite all governmental and law enforcement efforts, heroin remained plentiful, and its use was reported increasing.⁵

The manufacture of heroin is prohibited in most nations by international code,⁶ and virtually all of it entering the United States is produced illegally.⁷ Illicit heroin is produced from opium, the production of which is, legal in several nations, but most of the opium that is used in heroin manufacture is produced illegally.⁸

For many years, the main source of opium bound for the United States as heroin was Turkey, switching during the last decade to Mexico and then Southeast Asia.⁹ In 1980, the "Golden Crescent" nations of Afghanistan, Pakistan, and Iran supplied the majority of heroin reaching the United States.¹⁰

Opium is derived from the poppy plant, which may also be chewed and smoked as a mild drug, but is most valuable for its morphine content. Opium gum taken from ripe poppy pods is chemically reduced in weight and volume by 90 percent to produce morphine base, an off-white powder that is the main ingredient of heroin.¹¹ The morphine base is then smuggled to a laboratory, where it is refined through a relatively simple process into pure heroin. The heroin is then smuggled into the United States, where organized rings of distributors and pushers reduce purity to a street level of anywhere from 3-10 percent.¹²

The price of the drug accelerates rapidly as it is refined and handled by different organizations on its way from the poppy field to the addict. In 1965, a Turkish farmer received an average of \$350 for ten kilograms (about 22 lbs.) of opium gum.¹³ Converted to one kilogram (about 2.2 lbs.) of morphine base, smugglers paid \$700 for it in Turkey.¹⁴ Refined to heroin in France, the drug would sell for \$3,500 per kilogram before shipment to the United States.¹⁵ A New York wholesaler could then sell the kilogram of pure heroin for an average of \$18,000.¹⁶ Reduced to 5 percent purity and sold on the street at \$5-8 for a bag containing 2 grams (about 1/220 oz.) of diluted heroin, the entire kilogram of heroin was worth about \$225,000.¹⁷ By the late 1970s, the average street price for a kilogram of diluted heroin was up to \$600,000 in New York City.¹⁸

Almost all of the heroin sold illegally in the United States is smuggled in from outside the country by organized groups of criminals.¹⁹ The large number of addicts and the high price they are willing to pay for heroin make the United States the principal world market.²⁰ La Cosa Nostra (LCN) is thought to have controlled 95 percent of the heroin traffic in the United States in 1965.²¹ New York City was the main distribution point for the rest of the nation, and then U. S. Attorney Robert M. Morgenthau stated in January 1965 that there was not a single large-scale narcotics importing activity in New York independent of LCN control.²² A network of Corsican-French traffickers supplied LCN with Turkish opium, refined into heroin in Marseille and transported to the United States by couriers.²³

During the late 1960s and early 1970s, LCN involvement in heroin trafficking lessened, primarily because of the collapse of the Turkish-French heroin network in 1972 and the continued convictions of important LCN members.²⁴ Yet, the 1974 conviction of Lucchese family boss Carmine Tramunti for conspiracy to distribute multi-kilograms of heroin and cocaine and Bonanno family boss Carmine Galante's heroin trafficking from 1974-1979 demonstrate that even the most powerful LCN members continue to be involved in the traffic.²⁵

The LCN did, however, lose its near-monopoly in heroin trafficking. In New York, Puerto Rican and Black groups began to dominate the distribution of heroin, and throughout the rest of the United States Mexican organizations began the importation and distribution of low quality heroin from Mexican poppy fields. By 1980, heroin trafficking had become divided among numerous organizations, with no one group coming near the LCN monopoly of the late 1960's.

The federal government's response to organized heroin trafficking gained new emphasis in 1971, with President Nixon's "declaration of war" against narcotics. From 1970-1980, the federal government's expenditures on narcotics-related activities increased seventeen times, from \$46.5 million to \$811 million.²⁶ Despite the increase in expenditures, the Drug Enforcement Administration estimated in early 1981 that only 2-5 percent of the heroin entering the country was seized.²⁷

In 1980, the heroin problem in the United States remained at a crisis level. New Manhattan District Attorney, Robert M. Morgenthau stated, "It's the single most frustrating problem that I've got."²⁸ Although heroin is no longer the primary income producer among illegal drugs--cocaine and marijuana now produce an estimated \$33 billion in sales annually--heroin sales equalled an estimated \$6.7 - 8.2 billion in 1979.²⁹ Government officials state that law enforcement agencies have been caught unprepared by the recent surge of heroin from the Golden Crescent.³⁰ Heroin will remain, therefore, a severe problem in the United States at least until this new source of heroin is eradicated and the organized criminal syndicates importing and distributing it are dismantled.

2. Technical Background

a. Explanation of Heroin

Heroin (Diacetylmorphine, anhydrous narcotic alkaloid) is an opiate. The opiate drugs include opium, morphine, heroin, chemical derivatives, and synthetic equivalents.¹ Many opiates are medically valuable, such as morphine and codeine. Morphine is primarily prescribed for pain relief in the United States.² Heroin is an illicit

derivative of morphine,³ which may not be lawfully imported, manufactured, or used for any legitimate medical purpose.⁴ Possession of heroin or participation in any transaction involving heroin is a criminal offense.⁵

Heroin is a depressant:

It relieves anxiety and tension and diminishes the sex, hunger, and other primary drives. It may also produce drowsiness and cause inability to concentrate, apathy and lessened physical activity. It can impair mental and physical performance.⁶

When injected, the heroin produces a "rush" of euphoria, followed later by drowsiness and relaxation.⁷ It lowers the respiration rate; an overdose can cause respiration to cease.⁸

Heroin is also addictive. The body quickly builds up a tolerance for heroin, along with a physical dependence. Without heroin, an addict goes into withdrawal, which produces severe vomiting, muscle aches, cramps, chills, fever, and pain throughout the body for a minimum period of 24-48 hours.⁹

Heroin may be smoked, rolled in a cigarette like marijuana, or sniffed like cocaine.¹⁰ Most American users prefer "main-lining," intravenous injections, to maximize the euphoric rush.¹¹

Once a person becomes an addict, he needs heroin everyday. In 1964, the average user spent \$12.50 per day and purchased an average of 2.6 bags, for an annual expenditure of \$5,000.¹² In 1970, it was estimated that the average New York City addict consumed twelve \$5 bags of heroin a day.¹³ Each bag contained about 1 grain (1/440 oz.) to 1-1/2 grains of 5 percent pure heroin.¹⁴ This averaged out to \$60 a day or about \$22,000 a year.

In 1965, there were 52,793 known heroin addicts in the United

States.¹⁵ By 1970, the figure had risen to 322,000.¹⁶ Heroin use reached its highest level in 1974, when the Bureau Narcotics and Dangerous Drugs (BNDD) reported 722,500 addicts.¹⁷ In 1980, the number of addicts had declined to 400,000 - 450,000, but appeared to be rising.¹⁸

b. The Poppy Plant

The ultimate source of all heroin is the poppy plant. The poppy is grown throughout the temperate zone, primarily in areas where little else can be profitably cultivated. In the early 1970s, 80 percent of the heroin in the United States came from Turkish poppies.¹⁹

On the Anatolian plateau in Turkey, the poppy seeds are sown in the fall. In the spring, the flowers bloom with white or purple petals, while the fields are weeded and hoed.²⁰ The plant ripens by late June or early July, and the pod on top of the plant swells with opium gum.²¹ The pods have to be cut at the right moment or the opium will be lost. If cut too soon, the opium spills to the ground instead of oozing out and congealing on the pod's surface. If the cut is made too late, the opium turns into codeine, a less powerful narcotic.²² In addition, the incision has to be correct; if cut too deep, the opium gum will be diluted by the plant's other juices; if cut too shallow it produces less than a maximum yield.²³

If the cut is made correctly, the opium gum oozes out and congeals on the outside of the pod. After a period of about ten hours, when the gum has congealed to the consistency of clay, it is scraped off the pod and collected.²⁴ The scraping has to be done within ten hours or the opium will be too hard to harvest completely.²⁵ The size of a crop is limited by how much opium can be harvested in one day. Each pod produces only a small amount of opium, but an acre of poppies yields

about twenty pounds of dark opium gum.²⁶ Ten thousand acres of poppies produces the ten tons of heroin consumed each year by addicts in the early 1970's.²⁷

c. Opium

The gum is the only part of the poppy not used by the farmers themselves. In Turkey, opium is used as a cooking base; the leaves are used for salads; poppy seeds are used in bread; the empty pods feed the livestock, and stalks provide ceiling material.²⁸

Much of the opium produced from poppies is used for legitimate medical purposes.²⁹ The United States produces no opium. Illicit opium production is widespread, often in the same countries that legally grow it. In 1972, two-thirds of the opium in Turkey was sold illegally to drug smugglers who paid 20 percent more than the government.³⁰

The main sources of illicit opium entering the United States are the Golden Triangle countries of Burma, Laos, and Thailand and the Golden Crescent nations of Afghanistan, Pakistan, and Iran. Turkey and Mexico supplied the majority of opium to the United States during the 1960s and early 1970s. In 1962, Turkey reportedly produced 10 metric tons for the illicit market, most going to the United States.³¹ During the same period, Mexican production was almost negligible, while an estimated 1000 metric tons was illegally produced in the Golden Triangle, almost all of it for local consumption.³² Heavy production in the Golden Crescent was also for local consumption.

Estimates of illicit production became more precise during the 1970s. The World Opium Survey, produced by a U. S. cabinet committee in 1972, placed annual illicit production for 1971 at between 990 and 1210 metric tons.³³ The survey concluded that Turkey produced 35-80 metric

tons (1,000 kilograms) for illegal use, Mexico 10-20 metric tons, the Golden Triangle 700 metric tons, Afghanistan 100 metric tons and Pakistan 20-160 metric tons.³⁴ By 1975, Turkish production for the illicit market had been reduced to virtually zero, while Mexico had become the major United States supplier, producing 75 metric tons.³⁵ Golden Triangle production was an estimated 450 metric tons, while Afghanistan produced 150 metric tons and Pakistan 200 metric tons.³⁶

By 1979, Mexican production had been reduced to 10 metric tons, while Golden Triangle production fell to an estimated 160 metric tons after a severe drought.³⁷ The Golden Crescent nations now lead the world in production of illicit opium, with 1979 figures at 300 metric tons for Afghanistan, 700 metric tons for Pakistan and 600 metric tons for Iran.³⁸

If the opium is intended for the illicit market, the farmer shapes it into circular loaves that can be indefinitely stored until collected by smugglers. While the opium itself can be smoked or chewed as a mild drug, it is valuable because of its morphine content. Smugglers convert the gum to morphine base, an off-white powder that is the main ingredient of heroin.³⁹ Smugglers prefer to handle morphine base because it reduces the weight and volume of the opium by 90 percent,⁴⁰ and can be stored indefinitely.

d. Morphine Base

To produce morphine base, opium is placed in a barrel filled with hot water and calcium carbonate.⁴¹ The opium is broken down into morphine base solution and waste water. The water is filtered away, leaving the dark brown morphine base solution.⁴² Ammonium sulfate powder is added, and the base solution is ventilated. The morphine base

settles to the bottom of the barrel, and the waste is filtered out again. The wet morphine base then either is placed to dry outside or dried over a fire. When dried, it is placed in plastic bags and hidden.⁴³ The conversion process is simple and cheap; the necessary equipment can be purchased for under \$25.⁴⁴ Whatever the origin of the opium or the location of the laboratory, the process is the same.

e. Heroin Refining and Processing

Conversion of morphine base to heroin is a much more complex process, which varies considerably from area to area. The French chemists operating out of laboratories in and around Marseille produce the purest heroin; they treat morphine base with acetone and heat it to 212 degrees.⁴⁵ The acetone is then separated and removed. Carbon black is mixed with the base to whiten it and chloric acid is added to neutralize it. The base is then baked, dried, and crushed several times until pure heroin is produced.⁴⁶ The process is not difficult, but it is dangerous, for if the mixture is improperly heated, it can explode. It is also tiring work, as the chemists have to work straight through until all the morphine base is converted. The full process involves seventeen steps and takes more than a full day.⁴⁷ The most efficient Marseille chemist, Joseph Cesari, was known to convert seventeen kilograms of morphine base into the same amount of heroin in one day.⁴⁸ In Mexico, the transformation process is less precise, with resulting purity levels far below those of French heroin.

Once heroin reaches the United States, its purity is diluted to a street level of anywhere from 1 percent to 30 percent, with a national

average of 3.5 percent in 1979.⁴⁹ The pure heroin arriving in the United States is adulterated by almost every person that touches it, except the importer. A 1964 estimate stated that a kilogram of 80 percent pure heroin would eventually be diluted into sixteen kilograms of 5 percent purity.⁵⁰ In 1974, The Bureau of Narcotics and Dangerous Drugs (BNDD) estimated that when the heroin reached the addict it had been cut 45 times.⁵¹

The heroin is usually diluted with quinine, milk sugar, and mannite. The quinine is added to heighten the initial "rush" felt when heroin is injected, and is the most expensive adulterate.⁵² Mannite is an almost inert substance, which is mixed in with the quinine and heroin to add volume and weight.⁵³ Quinine, mannite, and milk sugar are all identical in appearance to the heroin. But, while Quinine has the same bitter taste as pure heroin, mannite is tasteless and milk sugar is sweet. Since an addict dealing with an unknown pusher will taste-test the heroin for bitterness, distributors often cut the heroin with only quinine and mannite to avoid the sweet taste.⁵⁴

The adulteration of the heroin causes many deaths. If the heroin content remains too high, an addict used to only 5 percent heroin will overdose. Too much quinine will also produce an adverse effect upon the body, sometimes even causing death.⁵⁵

Pushers have been known to dilute the heroin with rat poison and battery acid.⁵⁶ Unless an addict deals with a regular pusher, whose heroin is known to be good, an addict never knows what he is shooting into his arm.

f. Heroin Distribution

Each organization uses a different system to get the pure heroin to the addict. Unless a person operates independently, heroin comes into

the country through hierarchical organization. An importer of heroin sends his representative to arrange the deal with a representative of the overseas supplier.⁵⁷ The importer never physically sees or touches the heroin, but arranges the financing and importing of the heroin, usually dealing in quantities over 100 kilograms.⁵⁸ The importer distributes the heroin to a network of wholesalers, who usually handle 10-50 kilograms and supply 2-5 kilogram quantities of heroin to jobbers.⁵⁹ Up to this point, the heroin has not been adulterated. When a jobber supplies it to a retailer, the heroin begins to be diluted.⁶⁰ A retailer may buy one kilogram of 80 percent pure heroin and dilute it to five kilograms of 20 percent heroin. At this point, each organization operates differently, but retailers usually either distribute kilograms to "mills" or "factories," where the heroin is adulterated further, or to a street wholesaler, who sells heroin in amounts anywhere from an ounce to 1/4 kilogram.⁶¹

From the factory or the street wholesaler, the heroin goes to a distributor, who adulterates it further, taking 1/8 of a kilogram (4-1/2 oz.) and turning it into about 75 bundles. Each bundle consists of 25-32 bags of 5 grains of heroin.⁶² A pusher, who most likely is an addict himself, buys a bundle and cuts each bag even further, finally selling a five grain bag of 5 percent pure heroin for anywhere from five to eight dollars to addicts.⁶³

g. The Addict

The American addict prefers to "mainline" or inject heroin into his bloodstream.⁶⁴ The addict places the heroin in a spoon or bottle cap and mixes it with water. The mixture is then heated by a match and the heroin dissolves into the water.⁶⁵ The heroin is then filtered into an

eyedropper through cotton. Placed into a hypodermic needle, it is injected into a vein.

3. The Use of Heroin in the United States

Opium use originated in the United States among Chinese immigrants.¹ Morphine was first isolated in 1805, and, with the development of the hypodermic needle and syringe in 1853, the United States became the first nation to use morphine on a widespread basis for medical purposes.² Not until the Civil War did narcotic use become a major problem, when over 45,000 soldiers became addicted to morphine.³

In 1874, heroin, a chemical derivative of morphine, was developed and rapidly became popular.⁴ Originally proposed as a cure for morphine addiction, heroin was soon widely used in cough medicine, and it was also widely advertised in pharmacy journals as late as 1900.⁵ Yet it soon became evident that heroin was even more addictive than morphine, and addiction rates began to rise. By 1900, over 200,000 people, one out of every 400 Americans, was a narcotics addict.⁶

Factors leading to the high level of addiction were listed by the McClellan committee in 1965 as:

- 1) Chinese opium smoking
- 2) Civil War morphine addiction
- 3) The invention of the hypodermic needle
- 4) Availability of opium, morphine, and heroin
- 5) Use of heroin as a cure for morphine addiction
- 6) Use of morphine as a cure for alcoholism
- 7) Heroin content in patent medicines.

In 1914, the Harrison Narcotics Act went into effect. The statute attempted to control narcotics use through licensing and taxation. The act taxed the manufacture or importation of unlicensed narcotics and made unauthorized possession, sale, or purchase a criminal offense.⁸ Heroin and morphine addiction began to fall after the passage of the

Harrison Act and the establishment of 44 morphine clinics between 1919 and 1925 to dispense narcotics under state and local supervision.⁹ By 1939, there were only 36,000 addicts.¹⁰ By World War II, the level fell to 20,000.¹¹

a. Early Heroin Trafficking

Systematic distribution of heroin began in the 1920s. Racketeers of Jewish extraction, operating primarily out of New York, controlled the major flow of narcotics in the 1920s and early 1930s.¹² After a power struggle, these racketeers were muscled out, and La Cosa Nostra (LCN) had taken over national control of heroin trafficking by the late 1930s.¹³ LCN control originated with members of the New York Lucchese family, working together with important Jewish groups.¹⁴ Until World War II, LCN's main sources of supply for heroin were located in France and the Near and Far East.¹⁵ During the war, these sources dried up completely, and addiction rates dropped to their lowest recorded level.¹⁶

During World War II, New York LCN members went to Mexico, and from 1941-1943 supplied New York City and other areas with limited amounts of Mexican heroin.¹⁷ Opium had been introduced into Mexico during the 1920s, supplying mainly ethnic Chinese.¹⁸ LCN smuggled the Mexican opium overland into California or Texas and converted it to heroin in laboratories in the New York area.¹⁹

b. Modern Heroin Trafficking

(1) The Italian Connection

Modern heroin trafficking began after World War II, with LCN completely dominating importation and distribution.²⁰ A Bureau of Narcotics official stated, "They had this thing sewed up. They stepped

into a vacuum there and took it over completely."²¹ For a period of four to five years, most heroin entering the country came from Italy, entering through New York City.²² Charles "Lucky" Luciano and Sicilian Mafia leaders arranged the Italian connection for American LCN families.²³ The heroin was also legitimately produced in Italy for medicinal purposes in Milan and Genoa, and it was often stolen by Sicilian Mafia members and sent to the United States.²⁴

(2) The Corsican Connection

In the early 1950s, the Italian government banned the manufacture of heroin, and French Corsicans replaced the Sicilian Mafia as the principal source of heroin in the United States.²⁵ With the advent of Corsican control, Marseille became the heroin capital of the world, producing 80 percent of the heroin bound for the United States from the early 1950s until 1972.²⁶

The Corsicans obtained morphine base from Turkey, via Syria and Lebanon.²⁷ The base usually was smuggled into Marseille by French seamen, working on boats out of Beirut, Aleppo, or Istanbul.²⁸ In Marseille, chemists converted the base into heroin.

The Corsicans favored two routes for smuggling heroin into the United States. Much of the French heroin went to Sicily, where the Sicilian Mafia routed it to LCN importers in New York.²⁹ Most of the Sicilian heroin entered the country through false-bottomed trunks, furnished to unsuspecting Italian immigrants by Sicilian Mafia contacts in travel agencies.³⁰

The other route was handled by Corsicans themselves, shipping heroin by automobile, diplomatic courier, or plane³¹ to Corsicans or French Canadian associates in the Montreal underworld.³² When

law enforcement pressure in Canada became heavy, the heroin was sent to Mexico City.³³ The Corsicans alternated between Montreal and Mexico City as a transshipment point throughout the 1950s and early 1960s. All of the heroin eventually went to New York before distribution.³⁴

Montreal first became a heroin smuggling center immediately after World War II. An Algerian-born Corsican, Antoine d'Agostino, headed a syndicate that sent Italian heroin supplied by Charles Luciano to LCN boss Vito Genovese in New York City.³⁵ In 1949, after selling heroin to an undercover agent, d'Agostino jumped bail and set up operation in Mexico City.³⁶

In 1953, Carmine Galante, underboss of the Bonanno LCN family, formed an alliance with the Italian-Corsican underworld in Montreal.³⁷ In the fall of 1954, Galante and Montreal underworld figure Frank Petrula reportedly flew to Italy and met with Luciano, arranging to increase heroin shipments to Montreal.³⁸ By 1956, an estimated 60 percent of the heroin coming into North America went through Montreal, controlled by the Corsican-LCN partnership.³⁹ Giuseppe Controni headed the Montreal organization, importing the heroin from the Corsican syndicates and sending it in cars down to New York.⁴⁰

Another route from Canada originated in Toronto, and it saw Corsican heroin imported from the Sicilian Mafia to Buffalo, Rochester, and other cities.⁴¹ Headed by Buffalo LCN boss Stefano Magaddino, the ring operated at least from 1950-1960, and imported the heroin in false-bottomed trunks.⁴²

(3) Other Organizations

LCN dominated heroin trafficking into the United States in the pre-1965 period, but did not possess a complete monopoly. Small groups

of Black, Puerto Rican, Cuban and Jewish traffickers controlled about 5 percent of the East Coast trade.⁴³ The McClellan committee concluded that from 1950-1958, the major source of supply for the West Coast was Asian heroin, primarily supplied by Communist China.⁴⁴ Asian heroin was handled by informally organized groups in the Los Angeles area.⁴⁵

Beginning in 1959, Mexico became a major source of heroin. Eighty percent of the heroin coming through Mexico originated in Marseille and involved the Corsican-ICN partnership.⁴⁶ Twenty percent was grown in Mexico, and it supplied primarily the West Coast, replacing the Asian heroin.⁴⁷

c. Law Enforcement Response

Government efforts to disrupt the heroin trade proved ineffective in stopping the supply of heroin reaching the United States, but had a major impact upon the membership of the ICN.⁴⁸ From 1954 to 1964, 206 ICN members were convicted of narcotics violations.⁴⁹ Major narcotics convictions were obtained, including Vito Genovese, considered the most important ICN boss in the country, Carmine Galante, underboss of the Bonanno family, Natale Evola and John Ormentia, Lucchese family lieutenants, and Rocco Mазzie, a Gambino lieutenant.⁵⁰

The narcotic enterprise that resulted in a fifteen-year sentence for Genovese developed in 1954. Genovese headed a group that smuggled 160 kilograms of Corsican heroin into the United States through Cuba.⁵¹

Heroin imported by this group was distributed from New York to Cleveland, Chicago, Philadelphia, Las Vegas, and Los Angeles.⁵²

Genovese was convicted as the leader of the enterprise, although he never personally handled the heroin.

The McClellan committee concluded that by 1964 over 40 percent of

the Lucchese family had been convicted of narcotics law violations.⁵³ The Gambino family had 20 percent of its members convicted, and the Genovese family 19 percent.⁵⁴ These statistics reveal the effectiveness of government prosecution during this period, but, since government information on the number of family members was not then complete, the percentage figures may be too high.

By 1964, heroin trafficking in the United States was, therefore, largely under LCN domination. The LCN controlled 95 percent of the heroin coming into New York City and supplied cities throughout the East Coast, Midwest and Southwest United States.⁵⁵ LCN received its heroin from the Corsican-Sicilian Mafia partnership and imported it through New York City, Montreal, Mexico City, and Miami. In 1964, the West Coast was supplied almost entirely by independent groups, importing Mexican-grown heroin.⁵⁶

In 1964, heroin addiction was confined primarily to big city ghettos. The Bureau of Narcotics reported 48,535 addicts as of December 31, 1968.⁵⁷ New York City remained the center of heroin addiction, home for over one-half the known addicts and organization centers for LCN traffickers.⁵⁸

4. The French Connection: 1965-1980

a. Introduction

From 1965-1972, the Corsican-LCN partnership¹ provided 80 percent of the heroin available in the United States.² Turkish criminals smuggled illicit opium through Bulgaria and into Western Europe, for conversion to heroin in labs near Marseille.³ Members of the "Union Corse," the Corsican underworld, smuggled the heroin into the United States, primarily through New York City, Montreal, Mexico City, and Miami.⁴

The majority of heroin flowed directly to New York City, where LCN distributed it throughout the country. An estimated 35 percent arrived through a South American network.⁵ A Corsican group headquartered in Argentina purchased Marseille heroin and shipped it to New York City, Miami, and Mexico.⁶ Montreal continued to be an important transshipment center, but handled less heroin than during the 1950s and early 1960's.⁷

Popularly called the "French Connection," the Corsican-LCN partnership reached its peak between 1968-1972, annually supplying the United States with 8-12 tons of heroin.⁸ During this period, United States addiction rates rose dramatically and heroin use spread to the suburbs.⁹ Reasons for the success of the French Connection included the high morphine content of the heroin, the organized character of the smuggling in Turkey, and the high quality of the heroin produced.¹⁰

The 1972 Turkish ban on opium production and increased law enforcement measures in the United States, France, and South America, broke up the French Connection, and it resulted in heroin shortage in the United States.¹¹ By 1975, Mexico had replaced the French Connection, and it supplied 55-90 percent of the heroin in the United States.¹² Despite recent attempts to re-establish it, the French Connection has not played an important role since 1972.¹³

b. Turkey

French Connection heroin originated in the poppy fields of Turkey. In the central Anatolian Provinces, 90,000 farmers grew the opium that would be smuggled to Marseille for conversion to heroin.¹⁴ The peasants produced about 100 tons of opium per year,¹⁵ sold legally to the Turkish

government for medicinal purposes at \$7.47 per pound in 1972.¹⁷ About 2/3 of the opium gum was sold illegally for 20 percent more than the government price.¹⁷ An acre of poppies yielded about twenty pounds of opium gum, eventually equalling about two pounds of heroin.¹⁸ The estimated annual consumption of heroin in the United States during the peak period of the French Connection, ten tons, equalled the yield of 10,000 poppy fields.¹⁹ During this period, many other nations produced illicit opium, but the Corsicans preferred Turkish opium because it had the highest morphine content in the world, 9-14 percent.²⁰ The World Opium Survey, produced in 1972 by a U. S. Cabinet committee, estimated illicit opium production for 1971 at:

Turkey	35-80 metric tons	-Almost all to U.S. via Marseille. Supplied 80 percent of U. S.
Mexico	10-20 mt	-Most to U. S. 15 percent of U. S.
Golden Triangle	700 mt	-Most for local consumption. 5 percent of U. S. market.
Afghanistan	100 mt	-Most to Iran or local use.
Pakistan	20-160 mt	-Most to Iran or local use.
India	100 mt	-Local use
Others	20-50 mt	-Mainly Eastern Europe
Total	990-1200 mt ²¹	

In Turkey, farmers desiring to sell opium illicitly stored their opium and waited for an opium transporter to purchase it. The transporter would bring the opium to a local collector. The local collectors were powerful men in their communities, and they ran the laboratories that converted the opium into morphine base. Collectors worked for patrons, important individuals who planned and financed large smuggling organizations.²² Collectors stockpiled base and waited to be contacted by a patron for a shipment.²³

The patrons are the organizers of the Turkish smuggling operations (today involved in smuggling opium from Golden Crescent nations). When contacted by a Corsican gang leader for a shipment, the patron would arranged the entire transaction. The patron ordered the morphine base from collectors, hired smugglers to transport it to Marseille, and either financed the entire shipment, or went into a partnership with other patrons.²⁴ The patrons were a group of individuals who came together as business required. Narcotics smuggling was loosely organized. As the Newsday study learned from one of the patrons:

This is also a business without a single head. 'Everyone is a chief.' The narcotics business is compartmentalized. Each single shipment is an individual deal: another deal, another group of people, some of the same perhaps, but most differentit is almost impossible to stop the flow of morphine base from Turkey by²⁵ stopping individuals. There is no single tree trunk to chop.

Most of the fifty identified patrons were major legitimate businessmen, owning expensive hotels, restaurants, and nightclubs.²⁶ Most patrons were either from the Black Sea coast of Northern Turkey or Southern Turkey near the Syrian border.²⁷ From these strategic locations they ran smuggling organizations that moved items including morphine base, guns, American cigarettes, and whiskey.²⁸

Once a deal had been consummated with the Corsicans and morphine base collected, the smugglers took over. Smugglers were independent operators hired for one trip by a patron. A smuggler would not continuously carry for one patron, nor would he handle only morphine base.²⁹

Smuggling had begun in Turkey long before drug trafficking became important. When opium and morphine base became desirable in the world market, the Turkish network to provide them already existed.

Until the "northwest passage" route through Bulgaria became the most favored smuggling route (1965-1972), the major drug route was over the southern Turkish border through Syria and into Lebanon.³⁰ Turkish efforts to slow smuggling over the Syrian border began in 1959, and met with partial success.³¹ Morphine base smuggling shifted to Bulgaria after an intensive effort by the government to seal off the Syrian border with troops, landmines, and barbed wire.³²

The major land route during the years of the French Connection went through the Turkish border town of Kapikule into Bulgaria. Over 50 percent of morphine base bound for Marseille traveled this route.³³ Major routes from Bulgaria went to transshipment points throughout Europe before delivery to Marseille,³⁴ with Munich serving as the major storage depot.³⁵

The morphine base was smuggled in automobiles, often rentals and wrecks, trucks sealed by customs in Turkey (Transports Internationaux Routiers, TIR), or any other creative method figured out by the smuggler.³⁶ Customs presented far less of a challenge to smugglers in Europe than it did in Bulgaria and Turkey, often failing to stop cars, let alone to search them.

The primary water routes went from the Black Sea to Bulgarian and Rumanian ports (where it was shipped overland to Marseille), although large quantities went the traditional trans-Mediterranean route directly to Marseille.³⁷ The land routes were favored due to the tough French customs procedures in Marseille for ships originating in Turkey. Ships heading to the French port passed close by the shore and dumped morphine base in waterproof bags in a predetermined area marked by a buoy. Small French boats picked the supply up before dawn and took it to the heroin

laboratories.³⁸

Smugglers were paid either a percentage of their patron's profit or by the distance they had to go. Often, once the morphine base had been taken out of Turkey, Corsicans were willing to handle transit from that point on, although usually the Turkish smugglers were responsible all the way to Marseille.

Most American officials felt that if the morphine base could not be intercepted before it left Turkey, its movement could not be stopped.³⁹ Once the base was out of Turkey, the difficulties for French or U.S. Customs to discover it increased. Heavy volume and inadequate manpower made inspections routine and perfunctory at most French and U. S. Customs stations. Yet, Turkish enforcement efforts never worked against morphine base smugglers, and most of the base was never intercepted.⁴⁰

c. Marseille

(1) Introduction

From 1965 through 1972, the manufacturing and importation of heroin arriving in the United States was controlled by a few large groups of French Corsicans. The U.S. Opium Survey concluded:

The most common factor in virtually every major trafficking group over the last 20 years (1952-1972) is the preponderance of French Corsicans. It is this ethnic group above all others that has controlled the heroin traffic in France.⁴¹

Converting morphine base into heroin in makeshift laboratories in and around Marseille, the Corsicans supplied between 80 and 90 percent of the heroin consumed in the United States.⁴² Protected by French political leaders until the early 1970s,⁴³ the Corsican gangs sent their heroin to LCN for distribution throughout the country, until the breakup of LCN control in the late 1960s and early 1970s.⁴⁴

The main distribution route sent heroin directly to one of the five LCN families in New York City.⁴⁵ This route had the advantage of avoiding foreign middlemen, going through customs only once, and blending in with the high volume of legitimate commerce.⁴⁶ Montreal also handled large shipments of heroin destined for New York, primarily to take advantage of less stringent customs searches between Canada and the United States.⁴⁷ Upwards of 35 percent of the heroin went through a Latin American network before shipment to the United States.⁴⁸

The Turkish ban on opium production in 1972 cut off the French Connection supply source and, by 1975, brought heroin production in Marseille to the lowest point in 25 years.⁴⁹

(2) Corsican Underworld

Marseille is the sanctuary of the Corsican criminal, the primary element of the French Underworld since the early 20th century.⁵⁰ Known as the "Union Corse," the Corsican criminal is more powerful than the American LCN in many parts of the world.⁵¹ Corsicans are highly clannish and secretive, but are not members of one single monolithic organization.⁵² Loosely organized into about fifteen families, of which the Marcel Francisci group was believed to dominate heroin manufacturing and smuggling, the Corsican criminal cartel had been involved in smuggling since the end of World War II.⁵³ During the 1950s the "Union Corse" was known to smuggle large amounts of cigarettes and gold throughout Europe.⁵⁴ Corsicans originally became involved in drug trafficking as far back as the 1930s, when Francois Spiroto and Paul Carbone organized a heroin network originating in the Nile Valley and established Marseille's first heroin laboratory.⁵⁵

The Corsicans took over the international heroin trade after the

collapse of the Italian heroin connection in the late 1940s.⁵⁶ During the late 1950s and early 1960s, when France was fighting for its survival in Algeria, President DeGaulle reportedly enlisted Corsican underworld figures as counterterrorists.⁵⁷ With OAS (Secret Army Organization) terrorists believing that DeGaulle intended to abandon the Algerian war, an underground civil war was fought between the OAS and France's national counterterrorist forces, SDECE (Service de Documentation Exterieur et du Contre-Espionage, the French Secret Service) and SAC (Service d' Action Civique.)⁵⁸ For many years, while Corsicans worked for the French government, they also smuggled heroin.⁵⁹ From 1960-1967, the directors of the French national police formed counterterrorist groups from the same Corsican gangs the police were responsible for suppressing.⁶⁰ It is also reported that several of the largest heroin traffickers received protection from the Mayor of Marseille.⁶¹

French efforts against the heroin traffic proved so weak that between 1950 and 1972, when Marseille was the heroin capital of the world, French police discovered only three heroin processing laboratories.⁶² Until 1969, the Marseille anti-drug force numbered only eight well-known policemen,⁶³ while French customs fielded only twelve investigators in Marseille.⁶⁴ The number of customs officials in the Marseille area dropped from 943 in 1951 to 776 in 1971.⁶⁵ French police were also hindered by lack of a conspiracy law, the inadmissibility of wiretap evidence, the inadmissibility of evidence obtained by an agent posing as a buyer, and the lack of a requirement to report income from gambling and betting which provided an alibi for sudden increases in income.⁶⁶ In addition, the Corsican code of silence, sworn between

underworld figures and rigidly enforced,⁶⁷ and the French distain for informants, also hindered collection of information.⁶⁸

Marseille proved an excellent location as a heroin processing headquarters. Over 30,000 villas in the suburbs outside the city provided ideal locations for heroin laboratories.⁶⁹ Despite a population of over one million (600,000 Corsican),⁷⁰ it remained in reality a series of interconnected small neighborhoods, where a stranger's presence became immediately obvious. France's major seaport,⁷¹ it was also the nation's crime capital, with smuggling the most widely practiced illegal activity.⁷²

(3) Heroin Laboratories

When the morphine base arrived in Marseille, either by car or boat, it was delivered to a receiving point by a courier. The receiver worked for a buyer, who arranged to have it sent to a chemist. Another courier took it from the chemist's storage. Each man--receiver, chemist, and courier--knew as little as possible, which protected the identity of the buyer, the major figure who arranged financing and shipment to the United States.⁷³

To avoid detection, the location of the laboratories was continually switched. Most chemists used equipment that could be dismantled quickly and worked around the clock to finish a shipment, because of the danger of discovery.⁷⁴ Depending upon the size of the shipment, conversion took between one to seven days. Most chemists worked on three or four shipments a year, receiving about \$500 per kilogram of heroin.⁷⁵

Joseph "Monsieur Jo" Cesar's laboratory produced seventeen kilograms of heroin a day.⁷⁶ Most laboratories were about half as

productive, but they were more mobile than Cesari's. Cesari disguised the laboratories to look like ordinary homes, employing the wife of an assistant to fill a clothes line and keep children in the yard.⁷⁸ Cesari never met a contact in the same location twice and drove home only at night so that he could spot headlights of a trailing car.⁷⁹ He was arrested twice, once in 1964 after police shadowed Cesari for eighteen months,⁸⁰ and another time in 1972 after the police traced the location through a car used by an assistant.⁸¹ Another chemist, Albert Veran, a student of Cesari, ran a laboratory that included automated mixers and dryers (Cesari dried heroin in the sun and stirred it with a spoon.)⁸²

(4) Francisci Organization

While the Corsican underworld was only loosely organized, several groups dominated it. A 1971 report by Congressmen Morgan Murphy and Robert Steele stated, "four families are the heart of illegal heroin production in Marseille."⁸³ The report named the Francisci, Venturi, Orsini, and Guernini groups as controlling heroin traffic. In actuality, the Venturi and Orsini groups worked for Francisci, and the Guernini organization was out of business by 1972.⁸⁴

Identified by the McClellan committee in 1964 as an organizer of morphine base smuggling into France,⁸⁵ Marcel Francisci was really "the dominant figure of the French-Corsican underworld, and top man in the heroin rackets."⁸⁶ Born in Corsica in 1919, Francisci emigrated to France and earned the Croix de Guerre fighting in the Free French army against the Germans.⁸⁷ After the war, Francisci went to Marseille, where he joined a gang headed by Corsican criminal Joseph Renucci.⁸⁸ Second only to the Guernini family in early post-war Marseille, the Renucci clan's activities included prostitution, gambling, and bootleg

liquor, but it specialized in smuggling.⁸⁹

Renucci and Luciano combined to switch heroin trafficking from Italy to Marseille after the Italian police crackdown.⁹⁰ Francisci handled the Beirut connection, establishing smuggling routes to Marseille through Samil Khoury, Lebanon's chief smuggler.⁹¹ The Renucci-Francisci group established an early dominance in heroin trafficking that it was to maintain from 1950-1972 over all other Corsican outfits.⁹²

When Renucci died in the mid-1950s, Francisci became undisputed boss of the organization, with Dominic Venturi and Joseph Orsini (returning to Marseille) as his top associates.⁹³ From 1965-1972, Francisci lived in Paris and left the actual work to others, only handling the most important details.⁹⁴ Two Francisci brothers, Jean and Rene, served as couriers to Marseille, where Venturi ran the day-to-day operations.⁹⁵ Venturi was a partner to Francisci, but not quite his equal. Maintaining close political connections with Marseille Mayor Gaston Defferre, Venturi operated with impunity in Marseille.⁹⁶

(5) Mertz Case Study

The story of Michael Victor Mertz ties all the threads of the French Connection together. Mertz, a captain in the SDECE, was a World War II Resistance hero who, as an undercover agent in the OAS, later saved President Charles DeGaulle's life.⁹⁷ He also headed a ring that ~~smuggled more than one-third of a ton of heroin into the United States~~ annually (worth 1/2 billion dollars in eight years) as a member of Joseph Orsini's Corsican gang.⁹⁸

Born in the Moselle area of France, Mertz was drafted into the occupying German army in 1941. Deserting in 1943, he became a local

leader in the French Resistance. Joining the SDECE after the war, in 1947 he married Paula Scheller, the adopted daughter of Charles Martel, the owner of one of Paris' most famous brothels.⁹⁹ By 1960, while Mertz was still in the SDECE, he and Martel were smuggling heroin to the United States. The major supplier for the organization was Anchille Cecchini, chief lieutenant of Joseph Orsini and close associate of Marcel Francisci and Dominic Venturi.¹⁰⁰ Cecchini supplied the heroin, from Orsini laboratories, and personnel in the United States, who were Orsini men.¹⁰¹ Mertz planned the smuggling, recruited couriers, and handled financial arrangements.¹⁰² Profits were divided equally between Mertz and Cecchini.

On March 11, 1961, Mertz sailed to New York on the liner Liberte, with a Citroen containing 100 kilograms (220 lbs.) of heroin hidden in the paneling.¹⁰³ During 1961, Mertz also served as an SDECE undercover agent in the OAS. Serving time in an OAS internment camp, he learned of a plot to kill DeGaulle.¹⁰⁴ He contacted his superiors and the President's life was saved. The publicity rallied the divided nation behind DeGaulle.¹⁰⁵ Directly supervising Mertz's activities were Jacques Foccart (Cabinet Secretary in charge of counter terror against OAS) and Alexandre Sanguinetti (head of the national police).¹⁰⁶

Out of OAS prison, Mertz directed the shipment of another 100 kilograms to New York, again in a Citroen.¹⁰⁷ As the operation continued, associates handled the shipping and escorting, but Mertz or his assistant, Jacques Bousquet, always collected the money in New York.¹⁰⁸ By the end of 1968, Mertz had shipped over two tons of heroin, with a street value of over \$435 million.¹⁰⁹ The heroin went to LCN members in New York.¹¹⁰

Police first discovered the Mertz organization in December 1965, when 209 pounds of heroin were seized from U. S. Army Chief Warrant Officer Herman Condor.¹¹¹ Condor brought the heroin from France in a home freezer, shipped by the Army.¹¹² The heroin had been supplied by a retired U. S. Army major, Samuel Desist, who was a close friend of Mertz.¹¹³ Arrests were also made of Jean Nebbia, Louis Douheret and Nonce Luccaroti (a nephew of Orsini),¹¹⁴ all Cecchini-Orsini men, and Frank Dioguardi, Miami LCN member and the brother of John "Johnny Dio" Dioguardi, a Brooklyn LCN leader.¹¹⁵

The New York Times described Nebbia and the other members of the American end of the Mertz ring as "important figures, but not the brains of a Corsican ring that is known to supply much of the narcotics imported by the Mafia [LCN] into the United States."¹¹⁶ In jail, they made statements describing the routine car shipments and implicating Cecchini and Mertz.¹¹⁷ In May 1966, Cecchini was arrested, yet he was released eight months later with no trial.¹¹⁸ Bousquet and five Corsicans were arrested in 1968. Since Bousquet claimed leadership of the ring, it was not until November 1969 that Mertz was arrested.¹¹⁹ In 1971, Mertz and Cecchini were convicted and sent to jail with five year sentences.¹²⁰

d. Heroin Routes

(1) French Routes

~~Most of the heroin headed for the United States did not leave~~
directly from Marseille. From the Marseille laboratories, couriers brought the heroin to various departure points. U. S. Customs was known to search carefully any ship or airplane that originated in Marseille, so the heroin went elsewhere before reaching the United States.

The routes to the United States constantly changed as traffickers watched arrest patterns and customs crackdowns to detect a point of weakness.¹²¹ A Bureau of Narcotics and Dangerous Drugs (BNDD) official stated:

Heroin moves like water: It follows the course of least resistance. Sometimes it gets dammed up, but eventually it will find a way of getting around whatever is blocking it.¹²²

Small amounts (five to ten kilograms) were usually flown from a Western European international airport with direct links to New York, Amsterdam, Madrid, Lisbon, Paris, London, or Rome.¹²³ The heroin was sent in false-bottomed trunks, secreted inside the plane or carried on couriers' bodies. Large shipments arrived in the United States by ship, from LeHarve, Cannes, Naples, Genoa, any port except Marseille.¹²⁴ From 1965-1972, shipments to New York City, Miami, Montreal, and South America predominated.¹²⁵

No longer the main route to the United States, Montreal still handled a large amount of French Connection heroin until 1972.¹²⁶ The Corsican Cotroni family continued to control Montreal heroin traffic, sending most to New York City, but also supplying Toronto, Detroit, Vancouver, and Seattle.¹²⁷ In 1972, twenty-nine million people crossed into the United States through nineteen Canadian checkpoints in Vermont and New York.¹²⁸ Only twenty U. S. Customs officials were on duty at any one time to control the flow.¹²⁹ The Cotronis once dealt only with New York ICN figures like Genovese and Galante, but gradually they began to send heroin to independent Italians, Blacks, and Latin organizations.¹³⁰ Until French Connection heroin dried up between 1973-1975, the Montreal Connection remained a major factor in heroin

trafficking.¹³¹

(2) The South American Connection

Large amounts of heroin passed through South America on the way to the United States. Until 1972, 35 percent of all French heroin in the United States went through a South American network dominated by two Corsicans.¹³² Linked with the Sicilian Mafia, the group headed by Auguste Ricord and Lucien Sarti worked together to send French Connection heroin through Mexico, Miami, and New York.¹³³

The South American network originated after World War II, when Ricord and his heroin supplier, Joseph Orsini, fled France because of their Nazi dealings.¹³⁴ Ricord was believed to have fled Paris in 1944 to escape Allied troops.¹³⁵ Ricord then travelled to Italy and Spain¹³⁶ before arriving in Buenos Aires in December 1947.¹³⁷ In 1957, Argentine police arrested Ricord as the leader of a white slavery/prostitution network operating throughout Latin America.¹³⁸ In 1963, Venezuelan authorities expelled Ricord for white slavery.¹³⁹

Lucien Sarti arrived in South America in 1966 at the age of 29, a fugitive from Belgium, where he was wanted for the murder of a policeman.¹⁴⁰ Sarti took control of the organization upon Ricord's arrest,¹⁴¹ and he tried to expand operations with the help of Tomasso Buscetta, a Sicilian Mafia member from Palermo.¹⁴²

Before Ricord's arrest in 1971, his organization supplied a large percentage of the French heroin available in the United States.¹⁴³

Ricord bought heroin from sources in Marseille, with at least some coming from the Francisci-Orsini cartel¹⁴⁴ and from a group of Swiss suppliers.¹⁴⁵ Ricord couriers flew to "safe houses" in Spain, Italy, Germany, and France, smuggling the heroin on their bodies in special devices designed

by Ricord.¹⁴⁶ The couriers went from Europe directly to Montreal or through South America.¹⁴⁷

Through the 1960s, BNDD had only one agent in South America to combat the Ricord organization.¹⁴⁸ Yet, during 1967, U. S. Customs agents arrested 21 Ricord couriers, and BNDD agents were convinced South America had become a major transshipment point.¹⁴⁹ Through information gained by detective work and informants, U. S. agents learned of Ricord's importance in the operation and began piecing together the information needed to arrest him.¹⁵⁰ But Argentine authorities cracked down on the French traffickers unexpectedly, and Ricord went into hiding for a year.¹⁵¹

Not until March 1970 did U. S. agents hear rumors of a new Ricord operation based in Asuncion, Paraguay.¹⁵² Ricord now smuggled the heroin in aircraft flown by contrabandists from Asuncion to Chile, Ecuador, Panama, and Jamaica for refueling, before landing in Florida.¹⁵³ In October and December 1970, police arrested Ricord couriers with 92 and 210 pound shipments of heroin in Florida airports.¹⁵⁴ The evidence was enough for a federal grand jury to indict Ricord in March of 1971 for conspiracy to smuggle heroin.¹⁵⁵ Bureau of Narcotics and Dangerous Drugs (BNDD) agents arrested Ricord in Asuncion several days later, yet it took more than a year for Paraguay to grant extradition to the United States.¹⁵⁶ In order to convince the ~~Paraguayan government to release Ricord to BNDD officials, the United~~ States exerted severe diplomatic pressure.¹⁵⁷ Ricord finally was sent to New York in October 1972, where he was convicted and sentenced to 20 years in jail.¹⁵⁸

With Ricord in jail, the South American connection collapsed, despite efforts by the Sicilian Mafia to continue the operation.

In early 1972, when it was obvious Ricord was in severe trouble with the law, the Sicilian Mafia sent Tommaso Buscetta to help Sarti run the operation.¹⁵⁹ Buscetta and Sarti met with Christian David and Michel Nicoli, two French traffickers and Carlo Zippo, another Sicilian Mafia member, for several days to discuss the establishment of Brazil as a new headquarters.¹⁶⁰ Despite the Corsican-Sicilian cooperation, Sarti was killed by police in a Mexico City shootout in April 1972,¹⁶¹ David and Nicoli were arrested in late 1972 for running the Brazilian connection,¹⁶² and Buscetta was arrested in November 1972 while trying to escape.¹⁶³

Sarti's successor, Francois Rossi, fared little better. An ethnic Corsican from Buenos Aires, he originally worked for Ricord.¹⁶⁴ Rossi smuggled over two tons of heroin from 1965-1973 to Roberto Arenas, a New York Cuban.¹⁶⁵ Rossi arranged and financed shipments using airline cargo-men as his operations directors.¹⁶⁶ The heroin came from Marseille and was routed through Mexico by car or through Miami and New York City by plane.¹⁶⁷ In 1975, Rossi was extradicted from Spain after a 2-1/2 year court battle and held on a record \$5 million bail.¹⁶⁸ Like Ricord, David, and Nicoli, Rossi is now in jail.¹⁶¹ Since the breakup of the Ricord-Sarti-Rossi organization, heroin smuggling from South America has declined in importance, to the point where no known major ring now exists.

e. New York City: A Case Study

With New York City as the main distribution point for French heroin, most heroin imported from 1965-1970 was handled by one of the city's five LCN families.¹⁷⁰ In the early 1970s, LCN figures became less important in the heroin trade, allowing Black and Latin groups to

exercise more influence.¹⁷¹ LCN participated in the heroin business despite the risk of prosecutions because of the tremendous profits involved.¹⁷²

(1) LCN

In 1965, Robert M. Morgenthau, U. S. Attorney for Manhattan declared, "There is not a single large-scale narcotics importing activity in New York City that is independent of the families."¹⁷³ In 1964, the McClellan committee determined heroin trafficking to be almost entirely operated by LCN, principally the five families of New York City.¹⁷⁴ These reports reflected the position of the Bureau of Narcotics, which declared that 95 percent of the heroin smuggled into the United States since World War II had been controlled by LCN gangsters.¹⁷⁵

Despite periodic reports of LCN bosses forbidding further involvement in heroin trafficking,¹⁷⁶ evidence indicates important LCN participation in French heroin trafficking until at least 1973. The list of convictions through 1973 demonstrates the continued high level of LCN involvement in heroin trafficking. In 1965, Frank Tuminaro, Frank Gangi and Rosario Gangi were arrested for wholesale distribution of heroin.¹⁷⁷ In January 1966, John Nuccio was arrested and described as the "money-man and brains" behind a heroin ring that used airline stewards to smuggle heroin.¹⁷⁸ In August 1969, three members of the ~~Genovese family, Enrico Tantillo, Carmine Paladino, and Robert Santorelli~~ were arrested in Washington, D. C. for narcotics conspiracy.¹⁷⁹ Joseph Manfredi, a captain in the Gambino family, was found guilty in 1972 of conspiracy to distribute narcotics.¹⁸⁰ Arrests were also made in 1972 of Victor Pancia, an important member of the

Genovese family.¹⁸¹

Proof of important LCN involvement in heroin was again developed in 1974, with the conviction of Carmine Tramunti, boss of the Lucchese family.¹⁸² Tramunti had been indicted with 43 others for conspiracy to distribute multi-kilograms of heroin and cocaine.¹⁸³ Tramunti, "Mr. Big," financed wholesale distribution of heroin in a highly organized conspiracy that resembled a regular business operation; with managers, suppliers, and Tramunti as the banker.¹⁸⁴ The organization lasted from early 1969 to late 1973, selling kilograms at wholesale prices for anywhere from \$20,000-\$40,000.¹⁸⁵ Police stated that the principal source of Tramunti's heroin was Vincent Papa.¹⁸⁶

Vincent Papa was a "major source of heroin" on the East Coast for many years, importing around 25 kilograms of heroin each week.¹⁸⁷ Papa purchased his heroin from an organization that, in turn, possibly got its supply from Joseph Orsini, again demonstrating Corsican-LCN cooperation.¹⁸⁸

(2) Berdin: A Case Study

An examination of Papa's heroin organization shows the American end of the French Connection. The heroin came from Marseille, possibly from Orsini laboratories.¹⁸⁹ It was shipped to the United States by a group that included Jean Claude Kella, Laurent Fioconni, Joseph Signoli and Alexandre Salles.¹⁹⁰ Richard Berdin acted as the connection between the heroin dealers in Marseille and the American customers.¹⁹¹

Louis Cirillo purchased most of Berdin's heroin and was the major supplier for Papa.¹⁹² Papa supplied kilograms to a North Babylon dealer, Anthony Loria.¹⁹³ Loria supplied a half-dozen dealers in New York City and Long Island, including a pusher named Thomas Burke.¹⁹⁴

In late 1971, Berdin was arrested in New York after the arrival of 82 kilograms in a car aboard an Italian liner.¹⁹⁵ Berdin admitted to importing 370 kilograms into New York in less than two years, as one of six American contacts for the French group.¹⁹⁶ Berdin stated that the organization purchased heroin in Marseille for \$2,000 a kilogram and sold it in New York for \$10,000.¹⁹⁷ Berdin and his courier, who transported the car on the liner, received \$1,000 per kilogram plus living expenses.

Andre LaBay, an SDECE assassin, handled the actual smuggling for Berdin.¹⁹⁸ Heroin was put in a suitcase and taken from Marseille to Paris, where a second man put the heroin in secret compartments in the car. A third man drove the car to Le Havre, while a fourth, usually LaBay, booked passage on a ship and took the heroin to New York.¹⁹⁹

Joseph Signoli managed the French side of the business, which was financed by an Orsini associate, Laurent Fioconni.²⁰⁰ Fioconni's partner in New York, Jean Claude Kella, received the heroin through an intermediary of Berdin and LaBay and personally delivered the heroin to the American purchaser.²⁰¹ With the arrest of Fiocconi and Kella in 1970, Signoli and Salles took control of the operation.²⁰² Berdin, however, had quit the Signoli organization, and at the time of his arrest, had begun working for a new organization.²⁰³

Berdin's major customer was Louis Cirillo of the Bronx. Arrested with 222 pounds of heroin, Cirillo admitted to importing 2900 pounds into the United States in two years.²⁰⁴ Although Cirillo claimed his sole source of income was from a salary in a bagel shop, police discovered \$1,078,000 in Cirillo's backyard after they arrested him.²⁰⁵

Vincent Papa, of Astoria, Queens, a close associate of the Gambino

and Tramunti LCN families, received large quantities of heroin from Cirillo.²⁰⁶ Papa distributed 25 kilograms a week from 1967-1971, while claiming employment as a small tire company manager.²⁰⁷ Papa supplied two kilograms regularly to Anthony Loria, who diluted it to six kilograms.²⁰⁸ An unemployed parking lot attendant, Loria made \$3-4 million a year through his heroin organization.²⁰⁹

The Berdin investigation shows the entire scope of the French Connection: Turkish morphine base, processed into heroin at Francisci-Orsini laboratories, shipped to the United States by French Corsicans, one with SDECE connections, and distributed throughout New York by LCN associates.

As the Berdin investigation demonstrates, LCN control over American distribution was not complete after 1970. LCN permitted independent Italians (Papa and Cirillo), Blacks, and Latins to run an important part of the narcotics trafficking, reserving for themselves only a portion of the market (Papa to Tramunti).²¹⁰ Latins were involved in importing cocaine and marijuana for years, shipping heroin only in small amounts until the early 1970s.²¹¹

f. Law Enforcement Response

The French Connection heroin route to the United States collapsed in 1972. The breakup occurred as a result of the Turkish government's ban on opium production and increased law enforcement pressure by American and French authorities. Comprising 75-80 percent of the American heroin market in 1972, French Connection heroin supplied only 45 percent in 1973, falling to 2 percent in 1974 and almost nothing in 1975.²¹²

(1) Turkish Opium Ban

In 1968, the United States loaned \$3 million to Turkey in an effort to convince poppy farmers to convert to other crops.²¹³ Turkey cut back on the number of provinces allowed to harvest poppies, but production actually increased as illegal planting doubled.²¹⁴ The United States, seeking to stop the heroin problem at its source, increased pressure on Turkey, threatening to withdraw military and economic aid totalling millions of dollars.²¹⁵ On June 30, 1971, the Turkish government banned opium production, the last legal crop to be harvested by June 1972.²¹⁶ The United States agreed to pay Turkish peasants over \$35 million in compensation for lost income and to smooth the transition to less lucrative crops.²¹⁷

The Turkish ban came only after severe diplomatic pressure from the Nixon Administration. Forced to act by the seriousness of the heroin situation in the United States, Nixon made the breaking of the French Connection a major foreign policy goal.²¹⁸ Nixon had become alarmed at the rate of heroin addiction, which increased from 52,793 known addicts in 1965²¹⁹ to 560,000 in 1971,²²⁰ and 600,000 in 1972.²²¹ Heroin death rates were rising from what were already the highest levels in history.²²² Narcotics, chiefly heroin, had become the number one killer in the 15-35 group in New York City.²²³ Traditionally considered an urban blight, heroin use had become a middle class suburban menace by the early 1970s.²²⁴

(2) U. S. Enforcement Efforts

In response to the spread of heroin, Nixon increased federal spending for narcotics prevention from \$65.9 million in 1969 to \$729 million in 1972.²²⁵ Nixon labelled heroin trafficking, "The most

reprehensible of all crimes...worse than a crime like murder."²²⁶

Declaring, "Heroin is America's Public Enemy Number One," Nixon sought to implement a global strategy against the drug,²²⁷ by elevating the war on heroin from a "narrow law enforcement matter to a top priority foreign policy objective."²²⁸

Responding to the President, Congress passed the Comprehensive Drug Abuse Prevention and Control Act in 1970, for the first time resting drug enforcement authority on interstate commerce rather than taxation.²²⁹ The number of federal narcotics agents doubled to 1,000 from 1969-1971.²³⁰ At Nixon's request, the Drug Enforcement Agency (DEA) was established in 1973 to streamline federal anti-narcotics efforts, replacing BNDD and other agencies.²³¹

(3) French Enforcement Efforts

The French government began focusing attention on heroin trafficking in 1970. Heroin addiction had become a serious problem in France between 1968-1970, with 20,000 addicts in Marseille alone.²³² Before the explosion in domestic addiction rates, French officials had not considered heroin a serious problem. But afterwards, drugs were declared the priority police problem in France, sentences were raised, and for the first time national attention focused on the issue.²³³

In 1970, France more than quadrupled the number of narcotics agents in the Mediterranean coastal region and on Corsica.²³⁴ In August 1972, two top police officers were put in charge of reorganizing the drug drive.²³⁵ Increased surveillance of Corsican criminal groups led to the arrest of Cesari and the discovery of five laboratories in the Marseille area.²³⁶

The French efforts met with success; 19 international heroin

manufacturers and traffickers were arrested in Marseille in 1971, and 50 in 1972.²³⁷ French heroin seizures rose from 136 kilograms in 1969 to more than 576 kilograms the first nine months of 1972.²³⁸

Efforts elsewhere against heroin trafficking proved successful, too. Panama, a longtime transshipment point, began to be avoided in 1972 after officials tightened security.²³⁹

g. French Connection 1972-1980

The disruption of the French Connection through the Turkish opium ban, U. S. enforcement efforts, French enforcement efforts, and the destruction of the South American Ricord-Sarti ring reduced the amount of heroin available in the United States.²⁴⁰ Amsterdam became the center of European heroin traffic.²⁴¹ Declines in heroin use were registered throughout the country in 1972-1974.²⁴²

Although severely disrupted by the end of 1972, the French Connection did not cease as a significant factor in heroin trafficking until 1975. As late as April 1975, French heroin was reported to be again dominant in New York City, although not in the rest of the country.²⁴³ Officials presumed that the new wave of French heroin came from stockpiles of Turkish opium left from 1971-1972.²⁴⁴

In July 1974, however, Turkey lifted the opium ban.²⁴⁵ A new method guaranteed the opium would only be processed for the legitimate market and 103,000 farms were licensed for 1975.²⁴⁶ The new process allowed pods to dry out and involved harvesting the entire plant. The government purchased only whole pods and paid a high price to purchase the entire crop.²⁴⁷ By 1980, production was completely under government control. Although 9000 tons of dried poppies were harvested in 1980, poppies were cultivated in only seven of sixty-seven provinces.²⁴⁸

The number of poppy farmers fell from 204,000 in 1978 to 69,000 in 1980, with many turning to other crops.²⁴⁹

Although by 1980 the French Connection had been dormant for five years, individuals remained involved in heroin trafficking. Turkey's role as an illegal opium producer was ended by the government controls, but Turkey emerged as a major transit point for Golden Crescent heroin in the late 1970s.²⁵⁰ In 1969, 603 Turkish citizens were arrested in foreign countries on drug charges.²⁵¹ Despite a crackdown on trafficking in September 1980 by the new military government of Turkey, the problem still exists. Reports also indicate that Corsican chemists from Marseille are now operating Sicilian laboratories, working with the Sicilian Mafia to send Golden Crescent heroin to the United States.²⁵² Despite these indications of continued Corsican-Turkish involvement, the main heroin trafficking channels have shifted to Mexico and Southeast Asia.

5. Mexico

a. Introduction

With the demise of the French Connection, Mexico replaced France as the primary source of heroin in the United States.¹ From 1965-1971, while 80 percent of heroin arrived from France, a steady percentage (about 15 percent) came from Mexico.² Beginning in 1972, Mexico became a major American supply source, and by 1974, 70-80 percent of the heroin in the United States originated in Mexican poppy fields.³ Chicago and Los Angeles joined New York and Miami as major distribution centers.⁴ Mexican heroin began showing up in the East for the first time in 1975,⁵ and Mexicans joined Blacks, Latins and LCN, as major traffickers.⁶

United States authorities were forced to conclude that heroin control constituted a world problem and the Turkish ban alone would not eradicate heroin supplies.⁷

b. History

Poppies were introduced into Mexico by Chinese immigrants during the 1920s.⁸ First imported into the United States in small quantities by LCN members during World War II,⁹ Mexican heroin held a small share of the American market until 1972. After the war, LCN control ended, and individual entrepreneurs and loosely controlled groups predominated in Mexican trafficking.¹⁰

c. Heroin Production

The poppies were grown in the remote areas of western Mexico's Sierra Madre mountains, at inaccessible locations controlled by armed traffickers. Main poppy producing areas included the northwestern state of Sinaloa, where the most abundant crops grew,¹¹ and the states of Sonora, Chihuahua, and Durango.¹² Between 20,000-28,000 acres of poppies hidden among maize and tomato fields were harvested in 375,000 square miles of isolated mountain territory.¹³ Governmental authority in the poppy areas was almost nonexistent, with opium often produced from poppies grown on government land.¹⁴ Opium farmers earned up to ten times the amount of money available for legal crops, and they defied all government attempts to ban the poppy.¹⁵

Mexican heroin, known as "brown sugar," averaged only 65 percent purity.¹⁶ Laboratory techniques practiced by Mexican chemists concentrated on speed, neglecting the time-consuming purification methods practiced by the French heroin refiners. The lack of purity produced a brown granular heroin, instead of the white power associated

with French heroin. In 1975, when illicit production reached its peak, Mexico produced 75 tons of raw opium, providing 85-90 percent of the United States heroin market.¹⁷

d. Smuggling Routes

A 1975 DEA survey reported that Mexico was the primary source of heroin in virtually every American city. A study of confiscated samples showed

100 percent of heroin seized in Chicago and Boston originated in Mexico, while the New York figure was 83 percent.

(1) Texas

The main smuggling route for Mexican heroin went overland, usually across the Texas border.¹⁸ Land routes accounted for 80 percent of Mexican heroin in the United States, with 15 percent smuggled in by airplane and only 5 percent by ship.¹⁹ For much of the year the Rio Grande River dividing Mexico and Texas at El Paso is shallow enough to walk across without getting wet.²⁰ Even 1,000 miles down river at Laredo, the river can be crossed by four-wheel jeeps in summer.²¹ If the smuggler chose not to ford the river, fifteen international bridges and two dams also cross the Rio Grande.²²

(2) Arizona

Arizona served as another principal route for heroin smuggling from Mexico.²³ Heroin, cocaine, and marijuana were smuggled across the 360 mile Arizona-Mexican border by plane, truck, automobile, horse, and foot. Reasons for Arizona's popularity among smugglers included its sparse population and its 2,000 clandestine landing areas, as well as that there were extremely well organized and financed smuggling organizations on both sides of the border, and the state was the

shortest route between Mexico's poppy and marijuana fields and the United States.²⁴

Twenty-three major smuggling organizations were identified in 1977, including five wholly or partly controlled by LCN families from New York, Detroit, and Chicago.²⁵ These groups operated along with thousands of unaffiliated traffickers.

In 1977, the volume of drugs coming across the Arizona border was so high that American officials could not even estimate the amount. There were hundreds of dirt trails, hidden from the main highways, across the border. At the border town of Nogales, over 85 smuggling groups were identified in 1977.²⁶ The only good roads in the Sierra Madres poppy regions led to Nogales, boosting its importance as a smuggling center. Five minutes from Nogales, there were gaping holes large enough for a truck to drive through in the ten-foot high border fence.

As the only major city near the border, one hour north of Nogales, Tucson was the prime distribution point for narcotics. Large amounts of narcotics also flowed regularly into Phoenix, where an estimated 550 pilots made a full-time living flying drugs into fields near the city.²⁷

Arizona law enforcement officials were understaffed and beset by corruption. For a border covering fourteen counties and over 113,909 square miles, DEA and local narcotics units fielded only 181 agents.²⁸ The Phoenix police force was 800 men understrength, including a city wide vice unit of only twelve men.²⁹

Corruption presented as serious a problem as the manpower shortage. In 1976, Lloyd Brummage, former county attorney of Pinal County (located between Phoenix and Tucson), fled to Mexico after an indictment

for narcotics smuggling.³⁰ A former undersheriff of Pima County (Tucson) was convicted of obstructing justice.³¹ Officials stated the officer was part of a smuggling ring that flew 3-5 tons of marijuana into the state. In the spring of 1977, Reynaldo Nobles, democratic primary candidate for Pima County Sheriff, was arrested in mid-campaign and charged with leading a marijuana smuggling ring.³²

LCN, too, has long played an influential role in the Arizona underworld. An estimated 200 LCN members lived in Arizona in 1977.³³ In Tucson alone, there were an estimated 15-20 well known LCN figures, including Anthony Tisci, the son-in-law of Sam Giancana; Joseph Bonnano, former leader of the New York Bonnano family; and Peter Licavoli, son of Detroit LCN boss Peter "Horseface" Licavoli, Sr.³⁴ Joseph Bonnano, who set up the original French Connection route from Montreal to New York in the 1950s (through underboss Carmine Galante), reportedly worked to establish LCN control over Arizona's drug traffic.³⁵ Federal sources report that on March 1, 1976 Bonnano flew to Culiacan, Mexico, and met Victor Savela, brother of Jorge Savela, one of Mexico's two largest heroin dealers.³⁶ Bonnano reportedly sent heroin through Pueblo, Colorado, for shipment to St. Louis and other cities.³⁷ Other LCN drug smugglers included Anthony "Tony the Ant" Spilotro, a member of the Chicago Accardo family, who sent \$8 million worth of Mexican brown heroin a year to Chicago for distribution;³⁸ and Antonio Gambino, brother of New York boss Carlo Gambino. In December 1971, Gambino visited Arizona during a period when heroin was in short supply on the East Coast. Gambino went to the border town of Douglas and told a U. S. Customs informant that he desired to set up a base of operations for heroin distribution to major cities on the West Coast and in the Midwest.³⁹ Four days later Gambino met with a drug pilot in

Tucson to discuss delivery of drugs from Arizona to New York.⁴⁰ In April 1972, the informant was shot twice in the chest by four Gambino associates, but he lived to tell the story.⁴¹ Finally, Peter Licavoli, Jr., a caporegima in the Arizona branch of the Zerilli family, was reported to have sent heroin and cocaine to St. Louis, Detroit, Youngstown, Boston, Anchorage, and Anaheim.⁴²

Other heroin smugglers detected in Arizona included Hector Mar Wong. Wong headed up a father and son team that sent heroin to most major cities in the United States and Canada that may have connected to Joe Bonnano. One known member, Jesus Rodelo-Ramirez, was a kilo-level heroin dealer.⁴³ Jeral Leon Woods ran a seventy member heroin smuggling ring, while the Colimo-Jerez group was a forty member organization that was supplied with heroin by the Spilotro group.

(3) Florida

Southern Florida also became more important as a heroin shipment center during the years of the Mexican Connection. Always a traditional secondary heroin route to New York,⁴⁴ during the 1970s the drug traffic in Florida became a \$4 billion a year business.⁴⁵

When LCN lost control of heroin trafficking after the collapse of the French Connection, South Florida Cubans⁴⁶ and Blacks,⁴⁷ moved into trafficking.⁴⁸ With thousands of miles of coastline and over 50 small airports in South Florida without U. S. Customs agents, smuggling was easy.⁴⁹

Additional reasons for the increased drug trafficking in South Florida included banks that allowed large cash transactions; lawyers and accountants willing to provide services for large amounts of money;

businessmen and real estate agents who sold land, yachts, planes, and cars to anyone; and moonlighting mechanics who installed long-range fuel tanks on planes.⁵⁰

Heroin trafficking in Florida blended in with the heavy volume of cocaine and marijuana smuggling.⁵¹ A 1977 study revealed eight major heroin networks sending Mexican brown between Los Angeles and Miami for shipment to New York.⁵² Accordingly, Miami had joined Los Angeles, Tucson and El Paso as a major center for Mexican heroin,⁵³ and Blacks, too, got involved in the trade.⁵⁴

e. Smuggling Operations

(1) Herrera Family

The two largest known heroin smuggling organizations in Mexico were the Herrera family of Durango⁵⁵ and a group run by Jorge Savela, centered in Culiacan.⁵⁶ Federal agents believe the Herrera family had been doing business in the United States for almost two decades.⁵⁷ DEA officials estimate the organization controlled a major share of the Chicago market,⁵⁸ and it sent large amounts of heroin to New York, Boston, Baltimore, Washington, Miami, San Juan, and Los Angeles.⁵⁹ Profits for the Herrera family were enormous, DEA estimating that in Chicago alone the family earned a profit of \$100 million a year.⁶⁰ A DEA official described that the Herrera family as:

An international cartel of about 1,000 employees dealing in the manufacturing, production, and delivery of a complete product,⁶¹ along with being an economic force of considerable size.

Profits were large because, unlike the French-Corsican cartels, the Herrera's controlled the business from the poppy fields all the way to the pusher, eliminating middlemen and keeping profits in the family.⁶²

The 1,000-2,000 member Herrera family members comprised fifteen

Mexican families related by marriage.⁶³ The family was basically divided into two groups: the elder Herreras who resided in Mexico and were responsible for opium and morphine base conversion and the moving of the heroin and money between Mexico and the United States, and the younger members who handled drug transactions in the United States.⁶⁴

The older members controlled the operation from the small town of Victoria de Durango, high in the Sierra Madres poppy country.⁶⁵ The town had seven makeshift heroin laboratories, designed for speed and simplicity. The complex refining process used in Marseille was eliminated, thus producing an impure brown heroin.⁶⁶ The Herreras cut down the purity themselves, to about twenty percent, eliminating middlemen and increasing the profit.

The Herreras sent over half their heroin to Chicago, where almost every known major drug dealer in the city belonged to their organization.⁶⁷ ICN involvement was nonexistent. When asked to describe the relationship between ICN and the Herreras in Chicago, a policeman stated:

From what we're aware of, not a thing. They don't. There's nobody in organized crime. There's nobody involved in this at the upper echelon who's not a Mexican and a member of a particular family from a particular area of Mexico [Herreras].⁶⁸

The Herreras controlled all business aspects of the smuggling; individuals from outside the family did the actual transportation of the heroin across the border and the street pushing.⁶⁹

Each kilogram of heroin smuggled into the country by the Herreras earned the family \$17,000.⁷⁰ Cash brought to currency exchanges in Chicago was transferred to currency exchange money orders.⁷¹ The money

orders were hand-carried or mailed back to Mexico.

The 300-500 Herrera members in the United States kept low profiles, blending in with Mexican communities in the larger cities.⁷² Between 1974-1975, fifty-seven family members were arrested in the United States, with an additional twenty-six arrested in 1976.⁷³

The Herrera boss, Jaime Herrera Nevarez, 51, surrendered to Mexican police in 1978. Reportedly, he exported 1.5 tons of heroin a year to the United States, about 1/4 the total amount arriving in the country each year.⁷⁴ A former Mexican police sergeant, Herrera owned several laboratories in Durango. His brothers Manuel and Elias lived in Durango, and they supervised poppy collection and heroin production.⁷⁵ A fourth brother, Reyes, lived in Chicago, where he ran the American end of the organization.⁷⁶

The arrest of a courier led to the downfall of Jaime Herrera. In June 1977, near the Texas-Mexico border, Alfredo Alamo-Ramirez was caught with 23 pounds of heroin in the gasoline tank of his car.⁷⁷ Alamo-Ramirez agreed to cooperate with officials and continued driving to a garage in the Hispanic section of Chicago. DEA agents followed Alamo-Ramirez and found 17 pounds of heroin in another car and \$94,000 in the garage.⁷⁸ Three important dealers were convicted and sentenced to 45 years each.⁷⁹ In July, two key Herrera members were convicted and Jaime Herrera-Nevarez fled to Mexico after being indicted,⁸⁰ but he surrendered to police a year later. Federal officials reported that the crackdown on the Herrera organization kept 1.5 tons of heroin off the streets.⁸¹

(2) Araujo Organization

Jaime Araujo ran a major heroin organization based in

Los Angeles.⁸² Bank records demonstrate that from September 1975 - October 1978, the organization earned \$32.8 million from the sale of heroin and cocaine.⁸³ Police discovered 100 pounds of heroin in a house owned by Jaime Araujo, along with 47 pounds of morphine base and 30 pounds of cocaine, worth a total of \$180 million.⁸⁴

Araujo avoided incriminating phone conversations and detected all government surveillance for over three years, but he proved vulnerable to a financial investigation.⁸⁵ A combined team of DEA, Customs, and IRS agents traced \$32 million between banks in California and Tijuana.⁸⁶ In addition to a conviction for conspiracy to distribute narcotics, Araujo was convicted on income tax evasion.⁸⁷ Araujo was sentenced to 35 years and a record \$1.2 million fine.⁸⁸ The Araujo investigation demonstrates that financial investigations can be effective in jailing narcotics traffickers who are too important to touch the drugs themselves.

(3) Watson Organization

Henry Duwayne Watson ran a major heroin distribution ring in Los Angeles. Watson is believed to have first introduced Mexican heroin to the Eastern United States, when French Connection supplies first began to run out.⁸⁹ Watson lived in several Los Angeles homes, one a fortress guarded by steel doors and iron bars.⁹⁰

Watson received his heroin from Culiacan.⁹¹ An old car would be driven down to Culiacan to receive the heroin and driven back up to within a few miles of the border at Mexicali or San Luis Rio Colorado. There, the car would be stopped and a spare tire containing 4 kilograms of heroin would be put on the car.⁹² Driving slowly, in an effort not to churn up the heroin or drive off the road because of the unbalanced tire, the car would pass customs, switch the tires back and head for

Los Angeles.⁹³

Pedro V. Lugo, a Cuban refugee, formed the link between the Mexican suppliers and Watson,⁹⁴ by supplying heroin to Watson and three other major dealers.⁹⁵ Lugo paid \$20,000 per kilogram for the heroin, and he sold it for anywhere from \$24,000-29,000.⁹⁶ Watson cut the heroin from one kilogram to five and sold it for \$1,000-1,200 an ounce, resulting in a street price of \$2,000 an ounce or \$250,000 a kilogram.⁹⁷

Watson's mother was the connection between her son and Lugo. She was Watson's banker, keeping large amounts of cash in a closet.⁹⁸ Couriers delivered money in suitcases to Lugo when payments were desired. To get drugs to Watson, Lugo would borrow a car and have one of Watson's lieutenants pick it up later with heroin in the trunk.⁹⁹ Lugo also used a system where he told Watson's people to pick up a car he had left in a supermarket lot.¹⁰⁰

Watson distributed heroin to Dallas, Tucson, Atlanta, Miami, Rochester, St. Louis, Washington and other cities.¹⁰¹ A dealer needing supplies called Watson's answering service, whereupon Watson would reply that he would call back shortly. If ready to deal, Watson would call back and say, "Sky her out," meaning, "Put a courier on a plane out to Los Angeles."¹⁰² The courier would check in at a motel, call answering service and wait for a Watson agent to bring heroin. Most couriers were young females who carried suitcases full of heroin packed in Johnson's baby-powder cans. Couriers would return with currency put in oversized girdles or in boots.¹⁰³ In May 1976, Watson and 39 associates were indicted for conspiracy to distribute heroin. Watson pleaded guilty and was sentenced to fifteen years in jail.¹⁰⁴

(4) The Mexican Mafia

An additional Mexican heroin trafficking organization called itself "the Mexican Mafia." Operating primarily out of the California state prison system, the Mexican Mafia comprised at least 300 known members and as many as a thousand associates.¹⁰⁵ The Mexican Mafia originated in 1957 in a cell at California's Duell Vocational Institute, where thirteen Chicanos formed a self-protection group.¹⁰⁶ Most of the members came from the rundown barrios of East Los Angeles, where many had been members of youth groups.¹⁰⁷ Transferred gang members soon opened chapters in other state prisons, and by 1967 the Mexican Mafia reportedly controlled the San Quentin prison yard.¹⁰⁸ The gang recruited on a "Blood in, Blood out" basis; new members were voted in only after they carried out a contract to beat up or murder another convict.¹⁰⁹

The Mexican Mafia entered heroin trafficking by forcing inmates under threat of death to have visiting relatives smuggle narcotics into the prison.¹¹⁰ From inside the prison, the gang mobilized an army of planes, boats, oil trucks, and human couriers to move their narcotics.¹¹¹ One chapter of the Mexican Mafia, operating in Tijuana's La Mesa Prison, earned \$3 million per month in heroin,¹¹² while operating a clearing house for heroin, cocaine, marijuana, hashish, and pills inside the prison.¹¹³ Three prisoners directed heroin operations from the border to Los Angeles, San Diego, Vancouver, and possibly New York.¹¹⁴ The heroin was supplied by groups in Mexico and Southeast Asia, operating out of South America.¹¹⁵ Mexican Mafia members on parole set up the smuggling routes into prisons, while guards, terrified of revenge, went along.¹¹⁶

In 1971, Rudolf "Cheyenne" Cadena, one of the early leaders of the Mexican Mafia, expanded outside the prison system. From a cell at the California Institute for Men at Chino, he sent coded messages to recent parolees, detailing instructions for taking over a federally-funded narcotics program.¹¹⁷ Cadena targeted the National Institute of Mental Health's Special Program for Alcoholism and Narcotics (SPAN) for his first infiltration.¹¹⁸ Unknowingly, SPAN's staff assigned a Mexican Mafia member to recruit counselors and participants, and the program was destroyed in months.¹¹⁹

Cadena next penetrated the Los Angeles League of United Citizens to Help Addicts (LUCHA). Eduardo Z. Aguirre, a Mexican Mafia member became LUCHA's director and used funds from the Department of Housing and Urban Development to extend the gang's influence in Los Angeles narcotics trafficking.¹²⁰

The Mexican Mafia was also reportedly involved in two other organizations; the Community Concern Corporation,¹²¹ and Get Going Inc.¹²² In two years, CCC was linked to six homicides and former counselors were arrested for narcotics trafficking and attempted murder.¹²³ Get Going cars were reportedly used in seven Mexican Mafia murders,¹²⁴ and Get Going's easy access to prisons was used to communicate with gang leaders.¹²⁵

f. Law Enforcement Response

United States efforts to control Mexican heroin began even before Mexico's emergence as the primary supply source in 1972.¹²⁶ In 1968, the federal government gave Mexico \$1 million to purchase five helicopters and three airplanes to detect poppy fields.¹²⁷

Not until 1974-76, however, did the two governments combine in a major effort to curtail the drug flow. In 1974, Mexico passed a law providing for confiscation of land used for poppies,¹²⁸ and destroyed 6,000 poppy fields.¹²⁹ By 1976, two hundred newly trained and well paid Mexican agents joined the efforts, along with twenty-seven U. S. helicopters, and nine U. S. airplanes.¹³⁰ Beginning in November 1975, poppy fields spotted by infra-red cameras were sprayed by helicopter with herbicide that killed poppies in four hours.¹³¹ By March 1976, over 16,000 poppy fields had been destroyed (capable of producing 4.5 tons of heroin) and 233 pounds of heroin seized.¹³² During 1977-1978, over 70,000 fields were successfully destroyed and heroin trafficking fell to six metric tons a year from Mexico.¹³³ Mexican authorities cooperated with U. S. officials under the "Janus Agreement," whereby Mexico prosecuted Mexican citizens who dealt drugs in the United States and fled to Mexico.¹³⁴

By 1979, the United States had spent \$68 million on the Mexican poppy eradication program.¹³⁵ Poppy fields that were once over ten acres in size were planted in tiny, inaccessible fields. Nationwide, heroin purity reached its lowest level for the decade at 3.5 percent, while purity levels for Mexican heroin fell to about 2 percent.¹³⁶ Mexican heroin constituted only 35 percent of seizures, and it was believed to supply only 28 percent¹³⁷ of heroin in the United States.¹³⁸

~~The disruption of the Mexican Connection had a dramatic impact upon~~
heroin trafficking in the United States. For the first time in ten years, the number of heroin addicts began to decrease substantially, and heroin deaths fell from 150 per month to an average of about thirty.¹³⁹ Despite this success, heroin use remained a problem in 1979-1980.

Increasingly popular among rich and middle income users, who started to smoke and inhale it, heroin use remained high.¹⁴⁰ The easy availability of Mexican Brown and its high potency gained a popularity for the drug, which is now being supplied by Asian and Middle East sources.

6. The Golden Triangle

a. Introduction

Southeast Asia replaced Mexico in the late 1970s as the leading supplier of heroin to the United States. Since 1965, the "golden triangle" region where Burma, Thailand, and Laos share a common border,¹ had produced massive quantities of illicit opium,² but most of the opium produced in the area was consumed locally, and only a small percentage reached the world market.³ During the Vietnam War, American troops were supplied with golden triangle heroin,⁴ and by 1972, American officials realized the potential threat Southeast Asian heroin posed to the United States itself.⁵ By the late 1970s, the threat had become a reality, with 38 percent of heroin in the United States originating in Southeast Asia.⁶ Despite an effort by the local governments to eradicate poppy fields and restrict opium trafficking, Southeast Asian heroin accounted for 36 percent of the American market in 1981.⁷

The majority of the opium is produced in Burma, with Thailand serving as the major conduit for morphine base.⁸ Hong Kong, Singapore, Kuala Lumpur, and Manila are key heroin manufacturing and transshipment locations.⁹ Over half of Southeast Asian heroin reaching the United States arrives by commercial or private plane, 35 percent by sea, and 15 percent by land, usually from Venezuela.¹⁰

In the early 1970s, the trafficking was relatively unorganized. Much of the Southeast Asian heroin entering the United States was sold

to ethnic Chinese seamen in Laos, Thailand, and Hong Kong for transport to the United States.¹¹ The seamen jumped ship in American ports and entered the country illegally.¹² Rumors of Chinese-Corsican-LCN connections, with Marseille chemists operating Southeast Asian heroin laboratories appeared in the press, but they were not confirmed.¹³ By 1975, golden triangle heroin was abundant even in New York City,¹⁴ arriving in the East Coast in major quantities for the first time.

b. Europe

In 1975, officials noted a heavy flow of Southeast Asian heroin into Europe.¹⁵ For the first time, Western Europe became a major market for heroin, instead of merely a transshipment point to the United States.¹⁶ Amsterdam replaced Marseille as the drug capital of Europe.¹⁷ In 1976, European officials seized more heroin than U. S. officials for the first time in history.¹⁸ Total seizures of golden triangle heroin in 1976 at least equalled total world seizures from all other sources in 1975.¹⁹

The heroin epidemic in Europe began with the collapse of the French Connection in 1972. While Mexico filled the vacuum in the United States, Europe was cut off from a supply source. When U. S. troops left Vietnam, Southeast Asian heroin began to be sent to Europe.²⁰

c. Asian Heroin

Until the 1970s, when the golden triangle nations began to experience domestic heroin problems, there seemed to be a permissive attitude toward narcotics in the region. Reasons given for the attitude included entrenched corruption, economic necessity, and political and military realities.²¹

Southeast Asia produced two types of heroin: #3 and #4. #3 heroin

was a low-grade purplish drug, used for smoking.²² It was marketed in brightly labeled packets bearing individual brand names. U. S. servicemen demanded a higher grade heroin, and the golden triangle laboratories began producing #4 heroin.²³ Refined to 94 percent purity, it soon flooded Vietnam, similarly in sophisticated packaging.²⁴ Golden triangle heroin arriving in the United States during the late 1970s was almost entirely diluted #4. Asian laboratories also invented the drug "Khai," a potent mixture of opium, morphine base, and aspirin.²⁵ An extra-strength form of heroin, "double uoglube," was sold to U. S. servicemen in 1970-1972.²⁶

d. Burma

Most of the opium produced in the Golden Triangle comes from Burma.²⁷ One estimate stated 40 percent of the world's opium traffic moved through Northern Burma to Thailand.²⁸ Most of the opium comes from Northeast Burma, which produces a minimum of 300-500 metric tons of opium a year.²⁸ Caravans of horses and donkeys bring Burmese opium southeasterly to the Thailand border, across the region of Monghsu.³⁰ The caravans traverse the Salween river to reach Mongping, then cross a mountain pass near Monghsat and arrive at Mae Sai in Thailand, in the remote mountainous area southeast of Tachilek, Burma.³¹

The Shan United Army rebels controlled the Burma-Thailand border until 1980, with a force of 3,500-5,500 soldiers equipped with modern arms.³² Despite political differences with the communists for many years, the Shan Army units cooperated with communist guerrillas in smuggling opium. Shan units either escorted communists through their territory or contracted a caravan job to the communists.³³ Until the reported Shan-communist alliance against the Burmese government in 1980,

the Shan's controlled 2/3 of the Burmese opium traffic.³⁴

Through a headquarters in Ban Hin Taek, Thailand,³⁵ the Shan leader, Chang Chi-Fu (Khun Sa) controlled Shan smuggling.³⁶ Khun Sa reportedly controlled 2/3 of the Burmese opium traffic, personally accounting for 15 percent of the heroin in the United States in 1978.³⁷ The DEA estimated that, along with his allies, Khun Sa controlled 1/4 of the world's illicit opium supply.³⁸ Opium represented less than half of Khun Sa's business, his major income produced by smuggling jade out of northern Burmese mines.³⁹ Khun Sa also smuggled radios, phonographs, nylon panties and other consumer goods into Burma.⁴⁰ In 1978, Khun Sa repeatedly offered to sell his entire opium supply directly to the United States for \$6-12 million.⁴¹ The U. S. government rejected the offer, a White House official claiming that dealing with a trafficker who had been a rebel against our ally, the legitimate government of Burma, would be unthinkable.⁴²

Khun Sa's chief of staff, and the probable head of his trafficking business, was Chanrisu-Chuan, a former Nationalist Chinese officer.⁴³ The Shan army controlled two heroin refining complexes, one near Tachilek, and another further south, across from the Thailand border town of Mae Hong Son.⁴⁴ In between the two Shan refineries was a third heroin processing complex, run by the Lahu National Liberation Army, a group second in importance only to the Shan in opium smuggling.⁴⁵ Other opium smuggling organizations operated a total of 12-15 refineries,⁴⁶ located from within a few yards of to several miles inside Burma.⁴⁷

e. Laos

The Meo and Aka tribesman of northwestern Laos produced about 10 percent of the opium in the Golden Triangle.⁴⁸ The Meo's depended upon

opium as a major source of income, receiving \$45-50 per pound, far higher than any other crop could bring in.⁴⁹ Since the Meo's were fervent anti-communists, and allies of Prince Souvanna Phouma's weak government,⁵⁰ the tribes were allowed to grow poppies despite a 1971 law forbidding it.⁵¹ One report stated that Royal Laotian forces actually protected the opium trade.⁵² During the early 1960s, the American government knew that its major supporter in Laos, General Phoumi Nosavan, was heavily involved in the opium trade.⁵³ The Laotian smuggling system was not, however, as complex as that in Burma,⁵⁴ and it sent opium to Thailand for processing or down the Mekong to Vietiane for refining before shipment to Vietnam.

f. Thailand

Shan and other tribal groups supplied a number of trading networks in Thailand, most made up of ethnic Chinese. In the Thai village of Fang, only twelve miles from the Burmese border, hidden trails ran from the north and east, carrying illicit opium from Burma, Laos, and Communist China.⁵⁵ Although Thailand made it illegal in 1958 to produce, traffic, or smoke opium,⁵⁶ it remained the only source of income for many of the hill tribes.⁵⁷ One estimate put the total number of people involved in trafficking in northern Thailand at 165,000 in 1972.⁵⁸

For many years former Kuomintang forces dominated opium trafficking in Thailand. Nationalist Chinese forces, pushed out of Yunan in 1949 and forced out of Burma in 1960-1962, found sanctuary in northern Thailand.⁵⁹ Receiving no money from Taiwan, the troops earned money guarding opium caravans coming from Burma and Laos.⁶⁰

In June 1962, the Chinese smugglers in Thailand decided to deal

directly with the Shan rebels in Burma and cut out the Nationalist middlemen.⁶¹ A 300-donkey caravan guarded by five hundred Shan soldiers crossed into Nationalist Chinese territory, intending to deliver the opium to the Royal Laotian Army.⁶² One thousand Chinese under the control of Generals Tuan Shi-wen and Ly Wen-huan attacked.

The Laotian airforce, under the control of Royal Laotian Army Commander in Chief General Ouane Rattikone, bombed both sides, killing over 300 people, yet winning Laos the right to tax Burmese heroin.⁶³ The Houei Sai region of Laos emerged as a major processing center for Burmese opium.

By 1977, the Kuomintang were basically out of opium trafficking, having agreed in 1972 to cease smuggling and abdicate its position to the Shan army. Attempts were then made to integrate the Nationalist forces into Thai society. Although some opium was still smuggled, tea became the major crop.⁶⁴

g. Smuggling Routes

While Thailand served mainly as a transit point for Burmese and Laotian opium,⁶⁵ it only produced a modest amount domestically.⁶⁶ For many years, the smugglers depended on the complicity of local Thai officials for success, and they sent the opium straight to Bangkok for processing.⁶⁷ Refineries that produced morphine base and #3 heroin switched to producing #4 "China White" during the late 1960s and early 1970s, to satisfy the demand of U. S. servicemen.⁶⁸ The international airports at Bangkok and Penang were principal points of exit for couriers to the United States and western Europe.⁶⁹

A growing effort by the Thai government to stop the trade caused a partial change in the route. Large amounts of heroin soon crossed Burma

by land to the southern coast, bypassing Bangkok refineries; it was then taken by trawlers to South Thailand for processing.⁷⁰

The route supplying American troops in the early 1970s went from the Thai/Laos border area to Vientiane or Luang Prabang in Laos for further processing before shipment down the Mekong River to Saigon.⁷¹

Documented routes to the United States included Bangkok to Singapore to Hong Kong and then either to Taiwan or the United States and Saigon to an ocean drop in the Gulf of Siam, where the heroin was picked up by trawlers and sent to the West Coast via Hong Kong or Singapore, or to the East Coast after shipment through the Middle East and Europe.⁷²

(1) Hong Kong

A shipment of heroin to Hong Kong went from Bangkok to the South Thailand coast, where a fishing trawler would load one to three tons of opium, morphine base, or heroin.⁷³ The shipment was then transferred to Hong Kong junks in water off the People Republic of China-controlled Lema Islands, fifteen miles from Hong Kong.⁷⁴ While the Hong Kong police and customs officials maintained in 1979 that the port was no longer a major heroin transshipment point,⁷⁵ American authorities disagreed.⁷⁶

Few experts would disagree today that Hong Kong is a major international finance center for Golden Triangle heroin.⁷⁷ The local banking system makes it easy to launder money; visitors are not required to declare the amount of money they have when entering or leaving.⁷⁸ In addition, Hong Kong supports an addict population of 35,000-100,000 supplied by Golden Triangle and Golden Crescent heroin.⁷⁹

(2) Guam

Since 1970, Guam has served as a major transshipment point.⁸⁰ Guam's location makes it useful as a direct conduit between the Golden Triangle nations and Hawaii. Almost all of the heroin arrives by plane or ship from Southeast Asia.⁸¹ Heroin seizures have not been high,⁸² due to a lack of manpower.⁸³ Guam is also developing a local drug problem; the overdose rate has risen dramatically,⁸⁴ as has the number of narcotics arrests on the island.⁸⁵

(3) Hawaii

Most heroin on Guam is shipped to Hawaii for further distribution on the continental United States.⁸⁶ From 1975-1978, 10 percent of U.S. Customs heroin seizures occurred in Hawaii.⁸⁷ During 1977, the average purity of heroin seized in Hawaii was 46 percent, compared with an average street level purity for Mexican Brown in the continental United States of 2-5 percent.⁸⁸ Commercial airlines were identified as the primary means of smuggling, although private boats, cargo shipments and the U. S. mail system were also used.⁸⁹ Known smuggling rings operating out of Hawaii included a Czechoslovakian organization,⁹⁰ the Japanese Yakuza organization,⁹¹ and the Sumiyoski Rango group.⁹²

h. Identified Heroin Rings

(1) Lo Hsing Han

The U. S. State Department⁹³ has identified Lo Hsing Han⁹⁴ of Burma as the "kingpin" of heroin traffickers in Southeast Asia. At his trial in 1973, he confessed to smuggling 83 tons of raw opium from 1967-1972.⁹⁵ During the early 1960s, President Ne Win of Burma asked the Chinese-born Lo to form a local self-defense unit in northeast Burma against the Shan.⁹⁶ The government could not finance the troops, so Lo

smuggled opium to meet his costs.⁹⁷ Since Lo's troops helped the government by hindering the Shan insurgents, Lo's opium caravans were not interfered with.⁹⁸ In 1967, Lo went into opium smuggling full time.

Lo purchased opium from producers in northeast Burma and brought it across the Thailand border to sell to refineries in the Tachilek area.⁹⁹ He used to deal with the Kuomintang units in northern Thailand, but in March 1972, as noted above, these troops agreed to settle permanently and to stay out of the opium trade.¹⁰⁰

In 1973, Burmese forces drove Lo's 40,000 man military force into Thailand, where Lo was arrested with 7,700 pounds of opium.¹⁰¹ At the time of his arrest, the United States termed Lo the major heroin trafficker in Southeast Asia.¹⁰² Lo's trial was held in abeyance in 1975, after he began naming important military and political officials who encouraged his opium trade.¹⁰³

(2) Wan Pen Phen

Another major heroin trafficker operated during the Vietnam war, Wan Pen Phen. Known as "The Phantom," he supplied 4,500 pounds of opium per month to American troops.¹⁰⁴ His organization included Am Nui as the number two man and an American, Joseph Berger, as the connection to the troops.¹⁰⁵ Wan Pen Phen and Berger were arrested in 1972.¹⁰⁶

(3) Others

The Hong Kong based "14-K" society has been estimated to maintain a membership of over 8,000 criminals.¹⁰⁷ Reportedly, Carmine Galante, the La Cosa Nostra boss, had contacts with the 14-K society before his death in 1979.¹⁰⁸ The group is hard to infiltrate and informants are rare for the organization has a rule, "If you talk, your whole family is killed."¹⁰⁹

In 1974, a ring involving Scandinavian merchant seamen transporting heroin to Chinese distributors in Canada, New York City, and San Francisco was uncovered.¹¹⁰ Led by a tip from a Scandinavian informant,¹¹¹ DEA uncovered 300 pounds of heroin and 100 pounds of cocaine.¹¹² Wong Shing Kong of Bangkok controlled distribution of the heroin.¹¹³

As early as 1967, four members of an Australian heroin ring were arrested in New York City.¹¹⁴ The heroin came from a Chinese source in Hong Kong. In 1972, Philippine diplomat Domingo Scanleso was arrested in New York City with forty pounds of pure heroin, one of the largest seizures up to that time of Golden Triangle heroin in the United States.¹¹⁵

i. Law Enforcement Response

As early as 1972, before the complete breakup of the French Connection, U. S. officials worried about heroin from the Golden Triangle.¹¹⁶ An effort had already been made to convince Laotian hill tribes of the Meo, Lahu, Akha and, Yao clans to substitute potatoes and melons for poppies.¹¹⁷

Burma also launched a three-year program in 1966 to eliminate poppy cultivation.¹¹⁸ Farmers were encouraged to grow potatoes, rice, corn, or wheat; pamphlets in Chinese, Burmese, and Shan were distributed, which described the heavy punishments given to opium traffickers.¹¹⁹ By 1973, the Burmese government had passed a law forbidding the cultivation of poppies or the production, possession, or trafficking of narcotic drugs.¹²⁰ The death penalty was mandatory for involvement in manufacturing, trafficking, or contracting with international drug rings.¹²⁰ In 1975, Burma began working with the United States to

eradicate poppies.¹²¹ Eighteen U. S. helicopters sprayed poppy fields, and the chiefs of Burma's military and civilian intelligence agencies spent a month in the United States learning new procedures.¹²² Nevertheless, intelligence sources indicated three main groups of smugglers remained in Burma: 1) remaining contingents of Chinese Nationalist forces who refused to abandon smuggling,¹²³ 2) the Shan United Army, and 3) the Kachin Independence Army.¹²⁴

By 1979, Burma still faced the problem of coping with 100,000 addicts and a largely unchecked system for the production of opium.¹²⁵ Shan troops, traditionally anti-government, but even more anti-communist, had joined communist guerrilla attacks on the government in anger over the attempts made to curtail the opium trade.¹²⁶

In Thailand, the U. S. and the United Nations spent \$1.7 million in 1972 on a Thai program for rehabilitating and treating addicts.¹²⁷ A twenty-five man mobile anti-narcotics team in northern Thailand was created, and it seized 1/2 ton of opium in two days during the summer of 1972.¹²⁸ The Chinese Nationalist settlement program began working and twenty-six tons of Kuomintang opium was burned in 1972.¹²⁹

DEA and Thailand National Police units initiated operation Ruby in September 1976, directed at Chang Kai Chen, believed responsible for a large amount of the Asian heroin reaching the United States.¹³⁰ In May 1977, an informant reported that an associate of Chang, Lao Fan, would make deliveries to Thailand of any amount of heroin, morphine base, or opium.¹³¹ The information resulted in the seizure of 270 pounds of heroin and 347 pounds of morphine base.¹³²

In March 1979, Thailand and Burma announced that they would increase cooperation to suppress drugs.¹³³ In April, the Thailand National

Assembly unanimously adopted an anti-narcotics law with the death penalty given to traffickers.¹³⁴ The bill passed as reports stated the number of addicts in Thailand at over 600,000, far worse than in the United States.¹³⁵

A severe drought struck the Golden Triangle during the 1978-1979 growing season, reducing opium production to 200 metric tons.¹³⁶ The 1981 crop, however, grew to a record harvest of 600 metric tons, up to three times the 1979-1980 crops.¹³⁷ Even with the drought, Golden Triangle Heroin still accounted for 38 percent of the U. S. market in 1979.¹³⁹ The drought did lead to a dramatic increase in Golden Crescent heroin arriving in the United States.

7. The Golden Crescent

a. Introduction

In the late 1970s, a new influx of heroin arrived in the United States from the poppy fields of the Golden Crescent, the nations of Afghanistan, Pakistan, and Iran.¹ By 1979-1980, the Golden Crescent had replaced the Golden Triangle as the major source of illegal narcotics for the United States.² In 1979, DEA estimated that because of the drought, Golden Triangle opium production fell to 160-200 metric tons, while the Middle Eastern areas produced record amounts.³ Afghanistan produced 300 tons of opium; Pakistan 700 tons; and Iran 600 tons.⁴ The 1979 figures represented a five-fold increase over the previous five years in Golden Crescent production.⁵ In 1980, the Golden Crescent area produced 1600 tons of opium, anywhere from five⁶ to nine⁷ times the output of the rest of the world combined.

As late as 1975-1976, Golden Crescent heroin accounted for only 1 percent of the heroin entering the United States.⁸ By 1977, the figure

had grown to 8 percent, and in 1978, it jumped to 17 percent.⁹ In 1979, 34-35 percent of the U. S. heroin market was supplied by Golden Crescent heroin,¹⁰ and the 1980 figures were expected to grow even higher.

Golden Crescent opium is produced in the border areas of Afghanistan, Pakistan, and Iran, where the national governments are extremely weak. The opium is grown mainly by tribal minorities that are in rebellion against the national government and use opium to barter for guns.¹¹ The Russian invasion of Afghanistan has reduced the national government's power in the poppy provinces even further, while in Pakistan, political instability has forestalled international efforts to substitute new crops for poppies.¹² Finally, the Revolutionary Government in Iran is too weak to control opium production or smuggling.¹³

b. Afghanistan

Farmers comprise 35 percent of Afghanistan's population.¹⁴ Even before the Soviet invasion, the government lacked any real control over poppy farmers. The Helmand River Valley in southwestern Afghanistan is the principal poppy growing area.¹⁵ The other two main poppy locations are Badakhshan and Nangarhar.¹⁶ For many years, most of the opium produced in Afghanistan went to supply Iranian addicts, although as early as 1972 U. S. officials began to worry about Afghanistan's potential as a source of supply for the United States.¹⁷

One of the most primitive nations in the world, Afghanistan's police force had a literacy rate of only 2 percent in 1972.¹⁸ Government officials have been indifferent to smuggling, and the nation's borders have been almost unpatrolled.¹⁹ The Soviet occupation forces have virtually abdicated control over the Afghanistan borders to

guerrilla forces that barter opium for guns.

Most Afghanistan efforts to stop the opium trade failed. In 1973-1974, after a military revolt overthrew the corrupt monarchy of Mohammed Zahir Shah, the government acted energetically against the opium traffic for the first time.²⁰ Yet, the effort produced almost no halt in the flow of opium. In 1977, the government cooperated with the United States in an attempt to hinder opium production, which also soon faltered.²¹ Poppy producing tribes would not switch from opium, because it was the only income-producing crop feasible for them to grow and transport to market. In order to grow other crops, water and power would have to be brought into the tribal areas, along with new roads to transport bulky crops like potatoes.²² Morphine base, on the other hand, was easily refined from opium, reaped large profits, and could be smuggled out by human labor or in donkey caravans. In 1973, farmers took American aid provided for crop development, but grew opium as usual, preferring a quick profit to waiting for a new crop to take hold.²³

c. Pakistan

Most opium production in Pakistan occurs in the Karakorum Mountains of the Northwest Frontier Province, an area under weak government control.²⁴ The largest opium producers are the members of the Pathan tribe.²⁵ Traditional caravans of Kuchi tribesmen carry opium by donkey, camel, or truck to Karachi for shipment by water to European refineries, or overland through Iran to Turkey.²⁶ The overland route across Iran was the most heavily traveled recently, because the chances of getting caught were reduced after the Iranian Revolution.²⁷ Since the Iran-Iraq War, the route through Southwest Iran has been shut off and the caravans

now cross northern Iran.²⁸

Throughout Pakistan, opium is a general purpose medicine, and it is used for toothaches, soothing babies, smoking, chewing, and even soup.²⁹ Six tons of opium were legally sold in 1977 to registered addicts through 340 licensed shops.³⁰ The shops also sold an estimated sixty tons illegally during the same period.³¹

Pakistan also illegally produces morphine sulfate tablets, a heroin substitute.³² The pills are manufactured in Pakistan, and they are sent throughout Europe.³³ In the first six months of 1978, Pakistan authorities seized 1/2 million of the pills.³⁴

In March 1980, Pakistan outlawed opium cultivation.³⁵ The Pakistani government gave a high priority to economic development in the poppy areas and stressed Islamic fervor against opium.³⁶ Officials estimated that a huge surplus from the 1979 crop³⁷ had sent prices down to the point where cultivating poppies ceased to be profitable. DEA officials feared the surplus would be used to make heroin for the lucrative United States market.³⁸ Since the summer 1981 overthrow of President Zia, the situation in Pakistan is again in doubt.

d. Iran

In 1955, Iran had over two million narcotic addicts.³⁹ The Shah banned opium production, burned poppy fields, and bussed addicts to forced withdrawal programs.⁴⁰ Before the 1955 ban, Iran produced 700 tons of opium a year, one of the world leaders in illicit opium production.⁴¹

In 1969, the Iranian government lifted its opium ban and United Nations officials worried about the potential threat from the resumption of poppy production.⁴² The government made an effort to reduce

illicit trafficking, executing 130 smugglers between 1969 and 1972.⁴³ While troublesome, the situation remained relatively under control, at least until the fall of the Shah.

The Ayatollah Khomeini forbade the use of drugs in June 1979, exempting only current addicts,⁴⁴ as the drug problem had proliferated after the fall of the Shah's government, in part since most of the trained narcotics policemen had been swept away in the turmoil.⁴⁵

In May 1980, the government appointed the Ayatollah Sadegh Kalkholi as the head of the anti-narcotics efforts. Since that time, 160 smugglers have been executed in Iranian Baluchistan and Kurdistan.⁴⁶ Nevertheless, government control efforts are less than effective.

e. Turkey

Turkey is again playing an important role in drug trafficking. Situated midway between the Golden Crescent and the Western European heroin markets, Turkey has become a major transshipment point for Middle Eastern opium.⁴⁷ The country has switched from an opium producing center to an opium processing and smuggling headquarters,⁴⁸ with laboratories on the eastern border next to Iran processing opium into morphine base.⁴⁹

Morphine base from Turkey travels by two routes. The first utilizes large numbers of Turkish migrant workers to transport the drug to Western Europe, principally West Germany.⁵⁰ Outside of the United States, West Germany has the largest growing addict population.⁵¹ The heroin arriving in Germany is in fact so pure that most Europeans smoke it instead of mainlining the drug.⁵² The second major route from Turkey carries the morphine base to Syria or Lebanon,⁵³ where the drug is smuggled aboard freighters and sent to Mediterranean ports, mainly in

Sicily.⁵⁴

f. Sicily

Morphine base is refined into heroin by members of the Sicilian Mafia.⁵⁵ Sicilian boats meet ships at night in the Sicilian Channel and transfer the morphine base to Mafia possession.⁵⁶ The Sicilian Mafia sends an estimated three tons of heroin a year to the United States by courier on commercial airplanes.⁵⁷ In some cases, Sicilian heroin is on the streets less than forty-eight hours after leaving Sicily.⁵⁸ Large amounts of the heroin are sent directly to LCN in New York.⁵⁹

The Sicilian Mafia took the lead from the Union Corse in resuming heroin shipments to the United States in the late 1970s, but there is some sign of Sicilian-Corsican cooperation.⁶⁰ In 1979, two laboratories in Marseille were discovered, one with over ninety pounds of heroin.⁶¹ In November 1979, police discovered a laboratory in Italy near the French border, and they arrested Antoine Restori, a chemist of French Connection experience.⁶² Other laboratories were discovered on the Italian mainland; in August 1979, police raided a heroin refining complex near Nice; in November, they discovered another in Milan.⁶³ Success in police efforts, however, can be undone. In December 1979, all the morphine base (20 kilograms) and heroin (13.5 kilograms) taken in the Restori raid was allegedly stolen from the police.⁶⁴

Three laboratories processing heroin bound for the United States were also discovered in Italy in 1980.⁶⁵ Among the twenty-five arrested were five French chemists, eighteen Italians and two exporters.⁶⁶ In addition, in 1980, police discovered fifty-three pounds of pure heroin in unclaimed suitcases at JFK airport in New York.⁶⁷

The Sicilian Mafia once operated only in the rural western part of Sicily,⁶⁸ but by 1965 it was influential in the urban Italian centers of Turin, Milan, and Naples.⁶⁹ There is apparently no direct organizational link between the Sicilian Mafia and LCN in the United States, but they clearly cooperate often in narcotics shipments.⁷⁰

In 1965, seventeen of the major Mafia bosses (referred to by the Italian press as "Pezzi Di Novantis," "ninety caliber pieces" or "big shots")⁷¹ were arrested for drug conspiracy.⁷² In 1967, seventy-three Mafia gangsters were, in fact, given prison terms in Italy, including two leaders of rival narcotics rings: Pietro Torretta and Angelo LaBarbera.⁷³ In 1971, an Italian parliamentary commission also identified thirteen Mafia leaders, terming them "[b]loody criminals, killers, drug dealers, persons capable of any atrocity."⁷⁴ Tomasso Buscetta, under arrest in New York for aiding Ricord and Rosario Mancio, was included as a major drug trafficker.⁷⁵

g. United States

The magnitude of the flow of heroin from the Golden Crescent dwarfs anything that existed previously.⁷⁶ The opium produced could provide the morphine base for eighty tons of heroin a year, well over ten times the current U. S. consumption.⁷⁷ DEA estimates that only 2-5 percent of the heroin entering the country is seized,⁷⁸ and there are no diplomatic relations with Iran or Afghanistan to help stop production at the source.⁷⁹

The influx of Golden Crescent heroin is beginning to be felt in the United States. In New York City, drug deaths were up 77 percent in 1979.⁸⁰ New York City arrests for heroin possession and trafficking increased 85 percent in 1979.⁸¹

The new wave of heroin from the Golden Crescent, continued supplies from the Golden Triangle, and the rising use of synthetics are evidence that the heroin problem has not yet been solved in the United States.

8. New York City: A Case Study

a. Introduction

Law enforcement officials estimate that half the heroin imported into the United States is used by addicts in New York City.¹ Heroin addicts, too, have been blamed for over half the street crimes and burglaries in the city.²

From 1965-1970, the majority of the heroin traffic into New York City was handled by LCN or its close associates.³ During the 1970s, independent Black and Hispanic groups, however, successfully challenged LCN control of the market.⁴ While LCN remains an important factor in trafficking, the independent groups today handle the bulk of heroin traffic in the city.

Until Mexican and Asian heroin began to predominate from 1975-1980, New York City addicts were supplied almost completely with French Connection heroin.⁵ During 1972, the city experienced a severe heroin shortage when the consequences of the Turkish opium ban first began to diminish heroin supplies.⁶ Nevertheless, the traffic did not stop.

In addition, New York State in 1973 passed a harsh drug law, but, despite over one hundred convictions carrying mandatory life imprisonment, the flow of narcotics into the city was not appreciably slowed.⁷ Indeed, by the end of 1975, the heroin problem in the city was being compared to the peak period of 1969-1970.⁸ Apparently, the emergence of the non-LCN dealers and a cutback in narcotics officers after the dissolution of the French Connection contributed to the rise

in usage.⁹ Many investigators believed the heroin problem continued to worsen in the city throughout the late 1970s.¹⁰

b. Ia Cosa Nostra

From the end of World War II until the late 1960s, New York City heroin trafficking was dominated by the five LCN families.¹¹ The LCN serviced a small market of addicts concentrated in the Black and Puerto Rican slums.¹² The Lucchese and Bonanno families were most heavily involved, putting together the original Marseille-Montreal-New York City route.¹³ In 1968, a state committee identified 600 LCN soldiers in Harlem, Bedford Stuyvesant, and the South Bronx involved in heroin trafficking.¹⁴ The identified LCN members handled an estimated \$116 million in narcotics in 1968.¹⁵ One source put LCN profits in heroin at over \$90 million a year during the late 1960s.¹⁶

By 1970, however, LCN was no longer a major factor in street sales of heroin. Instead, it concentrated on importation and wholesale distribution.¹⁷ LCN stayed in the background and financed shipments, letting others take the front-line risk. From a near monopoly by LCN, the heroin traffic evolved into a loosely organized series of arms-length relationships among major independent operators, of which LCN was but a major system.¹⁸ There was in fact no vast heroin conspiracy with one boss; the popular conception of a "Mr. Big" in heroin did not exist.

The LCN's earlier exclusive control lessened for several reasons, not the least of which were a vast expansion of the heroin market and a toughening of federal and state penalties for heroin selling.¹⁹ In addition, the expansion in the number of addicts opened up opportunities to non-LCN traffickers to service new areas.²⁰

The LCN itself became acutely conscious of the high risk from the new drug and conspiracy laws after the convictions of Genovese, Galante, and numerous other important members.

LCN smuggling techniques were effective and imaginative; they included the use of diplomats and couriers on commercial airlines. Mexican and Uruguayan diplomats, in fact, went to jail for heroin smuggling,²¹ while couriers were known to hide six kilogram lots behind trash cans in airplane lavatories.²²

c. Emerging Trafficking Groups

By 1975, control of heroin trafficking in New York City had shifted to Blacks and Hispanics.²³ These new organizations were successfully tied in with Mexican and Southeast Asian traffickers, where they gained a source of supply independent of LCN control. For a long time, the police intelligence system was directed at white groups; it considered Blacks to be involved only in trafficking on a very low level.²⁴ Accordingly, Black and Hispanic rings were left free from law enforcement pressure while their operations were established. Indeed, by 1968, it can be shown that Blacks and Puerto Ricans had already forced their way into the ranks of the major wholesalers, although importation remained almost entirely under LCN control.²⁵

In 1975, thirteen major narcotics dealers in the city were listed by law enforcement experts. Four of the dealers were LCN members, five were Black, and four were Hispanic cocaine dealers.²⁶ Joseph and Charles DiPalermo, members of the Tramunti family, operated a large heroin organization through a headquarters in Little Italy.²⁷ Virgil Alessi succeeded Vincent Papa in controlling heroin distribution in Queens.²⁸ Ralph Tutino, was a large scale dealer in Harlem until 1973;

he was hooked up with Mexican and Asian connections, while other LCN dealers lost their supply source with the demise of the French Connection.²⁹

Black dealers included Leroy "Nicky" Barnes, the leader of the largest organization in the city, and James Lofton, Frank Lucas, Steven Monsanto, and Robert Stepney.³⁰ Along with Stanley Morgan, all were members of the "Council of Twelve," an association of the top dealers in Harlem.³¹

Lucas ran an operation with direct contacts with Asian opium dealers; his group was comprised chiefly of southerners, and he serviced mainly the Harlem area.³² In January 1976, he was convicted of distributing over 100 pounds of heroin and sentenced to forty years in jail.³³ In April 1977, Lucas was also indicted for continuing to run his organization from his prison cell in the Metropolitan Correctional Center.³⁴ While in jail, his organization did over \$50 million a year in business.³⁵ In September 1977, Lucas admitted to continuing direction of the ring; three of his brothers were also convicted of aiding him.³⁶

Robert Stepney of Teaneck, New Jersey, was arrested in November 1978.³⁷ Originally only a financier for smaller groups, after the arrest of Barnes Stepney expanded his heroin and cocaine business and unsuccessfully tried to succeed Barnes.³⁸ Rufus Boyd, another major heroin dealer, had been convicted of narcotics conspiracy and sentenced to forty years in 1976.³⁹

Jaime "Tennager" Vila controlled a \$30 million heroin ring in the South Bronx before his arrest in 1978.⁴⁰ Called the "Puerto Rican Nicky Barnes", Vila sent multi-kilogram loads of heroin into the city from

his Los Angeles headquarters.⁴¹ He sold his Mexican heroin at 15-30 percent pure because its chemical composition made it difficult to dilute.

Vila entered the heroin business in a roundabout manner. In 1973, another dealer in the Bronx, David Lopez, established a Mexican heroin connection through Los Angeles contacts.⁴² Vila was a friend of the dealer's manager, Julio Lopez. Julio's parents lived only a few houses away from David Lopez's parents in San Sebastian, Puerto Rico.⁴³ Eventually, Vila set up his own organization, and he employed a Mexican, Bernardo Romero-Verdigo, as a chemist.⁴⁴ To form a distribution network, Vila joined with a cocaine dealer, Ramon Radreguez, an enemy of Julio's.⁴⁵ When Ramon became hooked on heroin himself, Vila took over control of the organization. Vila's relationship with Radreguez caused a feud with Julio that resulted in twenty-seven known deaths by the time of Vila's arrest in 1978.⁴⁶

d. Harlem

Harlem has always been the center of heroin activity in New York. The major dealers in Harlem controlled a majority of the heroin available in the city. The first well known heroin boss in Harlem was Charles Green. Arrested in 1970, he employed over 100 pushers and couriers.⁴⁷ Green imported heroin and cocaine from South America.⁴⁸

Green's successor as the major Harlem dealer, Frank Matthews, expanded operations outside New York City.⁴⁹ Introduced into the heroin business by major LCN associate Louis Cirillo, Matthews eventually set up his own organization, supplied by Auguste Ricord.⁵⁰ By 1968, Matthews sent heroin into all major East Coast cities, supplying as well

Atlanta, Cleveland, Detroit, Cincinnati, Chicago, Kansas City, and Los Angeles.⁵¹ In January 1972, Miami officials seized 385 pounds of heroin bound for Matthews, the largest American heroin seizure in history.⁵² Matthews jumped bail in 1973, and he has not been seen since.⁵³

(1) "Nicky" Barnes: A Case Study

Leroy "Nicky" Barnes succeeded Matthews and became one of the biggest dealers on the East Coast.⁵⁴ Known as "Mr. Untouchable," Barnes was arrested thirteen times between 1950 and 1977 for charges ranging from bribery to murder,⁵⁵ yet he served little time in jail.⁵⁶

Barnes grew up in Harlem, where he became, in fact, an addict.⁵⁷ After kicking the habit, he worked during the 1950s and early 1960s as a mid-level dealer for a Dominican Republic gang.⁵⁸ In 1965, Barnes set up his own group, which was supplied by LCN.⁵⁹ Sent to jail on a 25-year-to-life-sentence, he met Joey Gallo, the mob figure, in Greenhaven prison.⁶⁰ Gallo introduced Barnes to a lawyer, who won him a new trial in 1969. A vital witness disappeared, and the conviction was reversed in 1969.

Barnes then went to work for William "Goldfinger" Terrell, one of Harlem's most notorious heroin dealers.⁶¹ When Terrell went to jail in 1971, Barnes inherited his entire organization.⁶² Barnes set up his own processing mills, and he gradually established control over heroin manufacturing and selling in an area that extended from New York State to Canada and Pennsylvania, and that supplied heroin to Chicago and Arizona.⁶³ In addition, his organization took over most street operations from LCN associates in Harlem and other areas of New York City.⁶⁴

By 1976, Barnes had at least seven major lieutenants, each of

whom controlled dozens of mid-level distributors; each of these distributors supplied up to forty street distributors.⁶⁵ One lieutenant, for example, controlled a cash flow in excess of \$1 million per month.⁶⁶ While the lieutenants did the actual physical work with heroin, Barnes himself almost never touched it. Discipline was harsh; Barnes allegedly murdered, for example, two disloyal lieutenants, Stanley Morgan and Reggie Isaacs.⁶⁷

Barnes lived the life of a big city dealer, owning at least one Mercedes, a Maserati, and several Cadillacs, Lincolns, and Thunderbirds.⁶⁸ Police say he also owned 300 new suits, 100 pairs of shoes, 50 leather coats, and 25 hats.⁶⁹ In addition, he owned five homes; two in New Jersey, two in New York, and a \$1.2 million interest in a Detroit housing project.⁷⁰ Before Christmas 1976, Barnes handed out turkeys to the underprivileged.⁷¹

Barnes was also known to buy a copy of every page of testimony at his trials at a cost of \$4.50 per page. The pages were bound into volumes, which he studied at home. Portions dealing with surveillance were reproduced and given to lieutenants.⁷² While in prison from 1965-1967, Barnes subscribed to 37 law journals, and he considered himself a legal expert.⁷³

(2) Law Enforcement Response

The successful effort to convict Nicky Barnes originated in the fall of 1973. DEA set up a task force named the Unified Intelligence Division (UID) after hearing of the rise of heroin trafficking in New York City.⁷⁴ Hand-picked agents from DEA, the New York Police Department, and the New York State Police constituted the 54 members of the task force.⁷⁵ These investigators were soon convinced New York's

drug distribution was controlled by unknown Harlem criminals, with operations extending to Boston, Atlanta, and Detroit.⁷⁶

For months, undercover agents in vans videotaped drug transactions on Harlem streets, and they staked out after-hours clubs, where suspected major dealers met.⁷⁷ By May 1976, the UID had selected seventeen primary targets, the most important of which was Barnes.⁷⁸

The Southern District conspiracy group, headed by DEA agent Donald Ferrarone, concentrated on Barnes.⁷⁹ In September 1976, Ferrarone got his first big break. He received a call from the Nassau County District Attorney's office, reporting that they had a shoplifter who claimed to know Barnes and his organization. The informant, "Promise" Bruce, turned out to be a convert to Black activism, who wanted revenge on Barnes for what he was doing to Black people in the ghettos.⁸⁰ In October, Bruce set up heroin buys and sold mannite to a Barnes lieutenant.

Ferrarone's next break came when Robert Geronimo, an FBI informant, agreed to help the DEA.⁸¹ Ferrarone had Geronimo work with a DEA agent named Louis Diaz, who posed as a trafficker seeking a connection through Geronimo.⁸² Geronimo and Diaz soon arranged to purchase 1/4 kilogram of heroin from a Barnes associate. Walking to meet the connection, the contact, "Wally" Fisher, discovered a car carrying DEA agents and fled into a bar.⁸³ Five days later Diaz purchased the heroin.⁸⁴ Fisher talked freely and assured Diaz it was high quality heroin, having come from Barnes.⁸⁵

Two weeks later, Geronimo met with Barnes and a top lieutenant, and soon Diaz was laundering money for Barnes.⁸⁶ Subsequently, Diaz was able to purchase heroin from Steven Monsanto, another Barnes lieutenant, who was himself on the list of New York's most important dealers.⁸⁷

Immediately after one purchase, Barnes came in and put his arm around Monsanto and talked with him for a long time.⁸⁸

On February 25, 1977, Geronimo and Diaz arranged to buy a full kilogram of heroin for \$55,000. Barnes' operatives were overheard planning the details on a court ordered wiretap.⁸⁹

Promise Bruce also produced evidence. He sold a half block of mannite to Barnes himself, 50 cases of mannite to a lieutenant, and purchased 250 bags of heroin on the street.⁹⁰

On March 15, 1977, DEA agents arrested Barnes as his car was stopped at a Harlem stoplight. Barnes was charged in federal court with violation of the Continuing Criminal Enterprise statute.⁹¹ Seventeen others, including five chief lieutenants, were also charged.⁹²

The charge against Barnes required evidence of substantial income from narcotics. IRS returns ordered for the trial showed that Barnes and his colleagues put down \$250,000 each year in the category of miscellaneous income that they could not explain.⁹³

The Barnes trial produced some of the heaviest narcotics sentences in New York history.⁹⁴ Barnes was convicted and sentenced to life without possibility of parole, and he was fined the maximum penalty of \$125,000.⁹⁵ The judge stated that no narcotics defendant in recent years presented a "greater threat to society."⁹⁶ Chief lieutenants Monsanto, Steve Baker, Leon Johnson, Waymin Hines and John Haliku

received 30 years each.⁹⁷ Joseph Hayden received 15 years as the #2 man in the organization.⁹⁸ The Court of Appeals⁹⁹ upheld the conviction, and the Supreme Court refused to review it.¹⁰⁰

By February 1979, Frank James and Guy Fisher had taken over the Barnes organization, and they had become two of the chief heroin dealers

in the city.¹⁰¹ Operating a loose partnership, the two trafficked heroin, cocaine, and PCP, but at a level substantially below that of Barnes. Speculation that Barnes continues to control the organization from his jail cell in Marion, Illinois has not been confirmed.¹⁰²

Despite the importance of Barnes' prosecution, the impact of the conviction, beyond the individuals prosecuted, was more apparent than real. There was no appreciable drop in the level of drug sales in Harlem after Barnes went to jail.¹⁰³

e. General Law Enforcement Response

Despite its participation in successful prosecutions such as Barnes and Cirillo, the New York Police Department's (NYPD) record in reducing heroin use or making major Arrests is not impressive. In terming NYPD's effort "a failure, a monumental waste of manpower and money," a 1971 state investigatory committee listed four reasons for its lack of success: 1) corruption; 2) poor training; 3) poor supervision; and 4) a quota system that forces officers to go after lower members of the distribution system, instead of concentrating on major dealers.¹⁰⁴ As further confirmation of the 1971 finding of corruption and inefficiency finding in 1971, it was announced in 1973 that 1/5 of all the heroin seized by NYPD from 1961-1972 had been stolen from the Police Property Department.¹⁰⁵

During the mid and late 1970s, when it was generally believed that the heroin problem was less severe than in the past, NYPD relaxed its anti-narcotics efforts,¹⁰⁶ but soon faced a new heroin epidemic.¹⁰⁷ In 1979, many investigators believed that the overall drug control problem in the city had worsened and that there were more drugs on the street than ever before.¹⁰⁸ Despite this belief, the number of narcotics investigators continued to fall, reaching a low of 325 in

1980, down from 700 in 1974.¹⁰⁹ Heroin in Harlem is today sold by brand names, and, to show the resurgence of the old sources of supply, it need only be pointed out that for the first time since 1974 there was no Mexican Brown seized in the city.¹¹⁰ In terming heroin usage at a "crisis level" in 1981, Manhattan District Attorney Robert Morgenthau listed the crucial law enforcement problems in the fight against heroin sale: 1) budgetary cutbacks; 2) lack of commitment by the Carter Administration; 3) lack of long term planning; and 4) the bail system.¹¹¹ Nothing of significance has changed since.

f. Scope of Problem

It is not enough simply to describe generally the scope of the heroin use problem in New York City or to note the nature of the law enforcement response. Some feel, too, must be obtained of its overall dimensions. In 1968, the city's chief medical examiner stated that diseases related to narcotics addiction (primarily heroin addiction) caused more deaths among New Yorkers aged 15-35 than murder, suicide, accidents, or natural causes.¹¹² Narcotics deaths accounted for 85 percent of all deaths in this age group.¹¹³ 90 percent of the fatalities were men; 50 percent were Blacks, 30 percent were Puerto Rican, and 20 percent were white.¹¹⁴ The average age of those dying was listed at twenty-seven, down from the 1958 figure of thirty-three.¹¹⁵

Between 1950-1954, there were 465 heroin fatalities in New York City.¹¹⁶ From 1955-1959, the figure rose to 611, and from 1960-1964, it increased to 1,299.¹¹⁷ The 1965-1969 figure rose to 2,935,¹¹⁸ with over 900 in 1969 alone.¹¹⁹ There were 224 teenage heroin deaths in 1969, twenty under the age of 15, one aged 12.¹²⁰

Almost ten years later, in 1978, there were only 246 heroin deaths

in New York.¹²¹ By 1979, the figure was back up to 439 deaths, and the 1980 estimate predicted over 600.¹²²

By the end of the decade, all indexes pointed to a rise in heroin use in the city. In 1979, heroin emergency room episodes were up 46 percent from 1978, from 480 to 702.¹²³ Admissions to drug programs in New York State were up 26 percent in 1979, reaching 26,303.¹²⁴ Methadone programs were up 22 percent and enrollment in detoxification programs rose 40 percent between 1978 and 1979.¹²⁵

A 1968 New York Times study indicated how severe the heroin problem had become in parts of New York. A four year survey of 1750 people on a slum block in Spanish Harlem produced startling figures.¹²⁶ One-third of the teenagers interviewed in the winter of 1965 had become heroin addicts by 1968.¹²⁷ Over three-quarters of adult addicts supported their habits by petty theft, prostitution, burglary, or pushing.¹²⁸ Only one-third of the addicts listed in 1965 had successfully quit taking heroin.¹²⁹

It is unlikely that there will ever be an accurate listing of the number of heroin addicts in New York. Estimates in fact vary so widely that suspicion is cast on the validity of them all. In 1968, the Federal Bureau of Narcotics listed 32,347 addicts in New York State (out of 62,405 nationally), while for several years the NYPD had been estimating the number in the city alone at between 50,000-100,000.¹³⁰ A dispute arose in 1965, for example, when Mayor Wagner reported 23,000 addicts,¹³¹ while a Harlem source stated there were 25,000 addicts in that ghetto area alone.¹³²

By 1967, the New York Times was reporting a census figure of

100,000 addicts in the city.¹³³ During the mid-1970s, the consensus figure listed about 150,000 heroin addicts. By the end of the decade, the consensus figure had dropped to 100,000 again.

Yet a 1972 report by the Mayor's Narcotics Control Council stated that between 1964 and 1970 there had been a total of 316,918 narcotics addicts in the city, 90 percent on heroin.¹³⁴ The figure worked out to 1 out of every forty-four people in the city between the ages of 15-44.¹³⁵

Despite largely inefficient law enforcement efforts, New York City has in fact been the location of some of the largest heroin seizures in the United States. The largest seizure of the 1960s--excluding that made as part of the French Connection investigation--occurred in December 1969, when 35.2 pounds of heroin and 44 pounds of cocaine were seized.¹³⁶ The heroin was found in sixteen plastic bags inside a suitcase in an apartment. Three Chileans and an Argentine with LCN connections were arrested.¹³⁷

In 1970, police seized 220 pounds of heroin in a single raid.¹³⁸ Worth \$60 million, the heroin was discovered in four suitcases and a small metal trunk in a closet. Two Uruguayans, one Chilean, and one Spaniard were arrested.¹³⁹ Police had no idea how the heroin had entered the country.¹⁴⁰

In August 1970, police broke a national heroin ring that reportedly brought 850 kilograms of heroin a year, worth \$1/2 billion, from Marseille.¹⁴¹ Heroin was first discovered secreted in crevices in a washroom of a jet at JFK in 1968.¹⁴² The plane originated in Frankfurt and was to go on to Chicago. Agents watched a courier get on the plane

at JFK, put the heroin in a suitcase, get off the plane in Chicago, and then buy a ticket to New York on another airline, thus avoiding going through Customs with the heroin.¹⁴³ Jack Grosby and Luis Stepenberg were indicted for heading the organization, which had also imported heroin in fish cans, cars, typewriters, and banana crates.¹⁴⁴

Appendix A: National Addiction Levels

In 1965, there were 52,793 known heroin addicts.¹ The Commissioner of the Bureau of Narcotics, Henry L. Giordano, stated that as of 1963, 48.33 percent of the known addicts lived in New York City.² Four states accounted for 80 percent of the known addicts: New York, Illinois, California, and Michigan.³ Illinois had 14.6 percent, California 14.1 percent and Michigan 3.6 percent. The report of the McClellan committee stated:

The ratio of male addicts to female is about 5 to 1 while the ethnic distribution is 53.9 percent Negro; 11.7 percent Puerto Rican; 6.6 percent Mexican; the remainder,⁴ 26.9 percent in other groups, principally Caucasian.

By 1970, the number of addicts had risen extraordinarily, and heroin was no longer confined to the ghettos.⁵ BNDD estimated 322,000 addicts in 1970, skyrocketing from the 1969 estimate of only 69,000.⁶ By 1971, BNDD reported 560,000 heroin addicts in the United States.⁷ The effect of the heroin increase was felt everywhere. Newsday reported in 1973:

Heroin had traditionally been considered to be an urban blight, and neighboring New York City its principal area of usage, but in the early 1970s, it became evident...hard drugs were having a disastrous impact on Long Island--the nation's largest suburb--as well as other communities throughout the United States.⁸

Heroin was now a middle class suburban problem.

Despite the Nixon Administration war on heroin, addiction levels rose throughout most of the 1970s. By 1972, there were 600,000 addicts.⁹ The National Institute on Drug Abuse reported 677,000 addicts in 1973, 722,500 in 1974, 670,000 in 1975, and 685,000 in 1976.¹⁰

During the end of the decade, with Mexican heroin in scarce supply, addict levels finally began to fall. But by 1980, there remained an estimated 400,000-450,000 addicts and levels were reportedly rising.¹¹

Appendix B

Appendix B: Sources for U.S. Heroin

<u>Year</u>	<u>F.C.</u>	<u>Mex.</u>	<u>G.T.</u>	<u>G.C.</u>	<u>Source</u>
1965	80%	15%	5%		<u>New York Times</u> , 11 June 1974
1966	80%	15%	5%		
1967	80%	15%	5%		
1968	80%	15%	5%		
1969	80%	15%	5%		
1970	80%	15%	5%	0%	" "
1971	75%	20%	5%	0%	
1972	75%	20%	5%	0%	
1973	45%	50%	5%	0%	<u>Federal Drug Enforcement</u>
1974	25%	70%	5%	0%	<u>Hearings before the</u>
1975	2%	87%	13%	0-1%	<u>permanent subcommittee on</u>
1976	0%	67%	33%	0-1%	<u>investigations of the Com.</u>
1977	0%	56%	36%	8%	<u>on Gov. Operations, United</u>
1978	0%	45%	38%	17%	<u>States Senate, 94th and</u>
1979	0%	28%	38%	35%	<u>96th Cong. 1st and 2nd 1980</u>
1980	0%	14%	36%	50%	<u>Sess.; 81 (1975-1977) For</u>
					<u>1972-1974.</u>

Illegal Narcotics Profits
Report of the Committee on
Government Affairs, United
States Senate, 96th Cong.,
2d Sess.; 63 (1980). For
1975-1979.

Departments of State,
Justice, the Judiciary
and Related Agencies
Appropriations for 1981;
Hearings Before committee
on Appropriations, House
Representatives, 96th
Cong., 2d Sess., 874 (1981)

Combine - (Number as
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Appendix C: Heroin Deaths

Drug Related Death - A death in which a psychoactive either directly or indirectly contributed to the cause of death.

Direct relation to death - The drug is a sufficient and necessary condition or cause of death, i.e., if the drug was not present the death would not have occurred.

1973	635	1980 Appropriations hearings, Department of the State, Justice and Commerce, the Judiciary and related Agencies, Appropriation for 1980 Hearing before committee on appropriations, House of Representatives, 95th Cong., 2nd Sess. 668 (1980).
1974	1465	
1975	2539	U.S. News and World Report, December 24, 1979, at 24.
1976	1874	Us.

Appendix D: National Heroin Purity, by Percent

1968	6.4%	<u>The Global Connection: Heroin</u> <u>Entrepreneurs: Hearings Before the</u> <u>Committee on Judiciary, United States</u> <u>Senate, 94th Cong, 2nd Sess., 114 (1976)</u>
1969	7.1%	"
1970	9.6%	"
1971	7.5%	"
1972	5.6%	"
1973	5.2%	"
1974	5.7%	"
1975	6.3%	"
1976	6.1%	<u>Congressional Resource Guide to Narcotics</u> 288 (1978)
1977	5.15%	<u>Drug Control Program of the Federal</u> <u>Government, supra fn. 35 (T.G.B.) at 40-41</u>
1978	4.2%	" "
1979	3.5%	" "

Appendix E: U.S. Cooperative Drug Seizures of Heroin

1968	200 pounds c.	<u>The Gobal Connection</u> , <u>supra</u> fn. 11 (F.C.) at 69.
1969	200 c.	"
1970	691	<u>Congressional Resource Guide</u> <u>to Narcotics</u> , 274 (1978)
1971	1541	"
1972	1036	"
1973	481	"
1974	670	"
1975	1032	"
1976	1124	"

	<u>New York</u>	<u>Chicago</u>	<u>Philadelphia</u>	<u>Los Angeles</u>
1975 Brown heroin	39,8 lbs	98.2	6.3	145
White heroin	35.5	1.5	8.4	59
1976 Brown	60.8	198	8.4	59
White	23.9	.1	1.6	9.3

Appendix F: Average National Herion Price per Milligram

1972	\$1.18c	<u>The Global Connection, supra fn. 11 (F.C)</u> <u>at 15</u>
1973	1.82c	" "
1974	1.23	<u>Congressional Resource Guide to Narcotics</u> <u>p. 28 (1978)</u>
1975	1.15	" "
1976	1.55c	" "
1976	1.26	<u>Drug Control Program of the Federal</u> <u>Government supra fn 35 T.H.B.</u> <u>at 40-41, 56</u>
1977	1.55c	" "
1978	1.90c	" "
1979	2.25 2.19	" " <u>Department of State Bulletin, at</u> <u>50 (August 1979).</u>

Cocaine

1. INTRODUCTION

In 1968, Americans spent approximately five million dollars on cocaine.¹ In 1980, the Drug Enforcement Administration (DEA) estimated that the annual retail value of the cocaine trade in the United States ranged from 12 to 16 billion dollars.² Journalistic estimates place the figure as high as 30 billion dollars.³ National drug abuse surveys for 1979 confirm previous estimates of increased cocaine use, particularly among young adults aged 18-25.⁴ Between 1978 and 1979 use jumped 69%.⁵ In 1979, total cocaine-related injuries rose 76% over 1976.⁶

Today, cocaine is the top income producer in the illicit traffic in drugs.⁷ An estimated 25-31 metric tons of cocaine were smuggled into the United States in 1979.⁸ The coca leaf is illicitly produced principally in Bolivia and Peru and then converted into cocaine, mainly in Colombia (70%).⁹ Florida is the chief gateway (40%) to the United States for the illicit traffic,¹⁰ most of which arrives by air passenger courier.¹¹

Organized crime's involvement in the traffic is mixed. The traffic itself is highly sophisticated, yet decentralized. No one ethnic group has had a monopoly over the traffic, but Mafia-type organized crime participation in it is surfacing, in both smuggling and distribution.¹²

The upward trend in cocaine use is not expected to abate, as a vast new youth market is developing.¹³ High cost, rather than restricted availability, is the principal deterrent to regular use among less affluent persons.¹⁴ The picture for success of law enforcement efforts at curtailment is bleak.

2. Technical Background

The coca plant, from which cocaine is derived, grows principally in South America in altitudes from 1,500-7,000 feet.¹ The coca leaves are first harvested when the plant is two to three years old and can continue to be harvested from two to six times annually for up to forty years.² The transition from coca leaves to cocaine involves a relatively simple³ three-step process. First, the leaves are picked, then combined with kerosene, water, caustic soda, and other chemicals to form coca paste.⁴ Finally, the coca paste is chemically converted to cocaine hydrochloride, the desired result. 500 kilograms (1,100 pounds) of coca leaves are required to yield 1 kilogram (2.2 pounds) of cocaine.⁵

Peru, Bolivia, Ecuador, and Colombia are the principal areas of coca leaf production in the world,⁶ with Peru and Bolivia accounting for up to 90% of the world's output.⁷ Bolivian coca leaves are cultivated primarily on the eastern slopes of the Andes Mountains in the North and South Ungas and Chapare Provinces.⁸ In Peru, coca leaf production is centered in the high jungle of the eastern Andes slopes.⁹

Heavily steeped in tradition, coca production and consumption is accepted as a way of life in the Andean region.¹⁰ The Incas regarded the coca plant as a living manifestation of divinity¹¹ and for thousands of years natives have chewed coca leaves for relief from hunger pangs, fatigue, and other aches and pains.¹² It is estimated that 90% of the male and 20% of the female population in the eastern watershed of the Andes Mountains in Peru, Columbia, and Bolivia chew the leaves daily..¹³

Peru and Bolivia are the world's only licit producers of coca leaves.¹⁴ Each country has 25,000-30,000 hectares, about

250,000-300,000 acres under coca plant cultivation, nine times that needed for licit use.¹⁵ As much as 80% of Bolivia's annual coca leaf production of 33,000-39,000 tons goes to the illicit market.¹⁶ Almost all cocaine in the United States is derived from Peruvian and Bolivian coca leaves.¹⁷

50%¹⁸ to 70%¹⁹ of the cocaine coming to the United States passes through or is refined in Colombia. Florida serves as the entry point for 40% of the cocaine that reaches the United States market.²⁰

Although cocaine is smuggled into the United States at a purity of 90%-95%,²¹ before it is taken by the average user it will have been cut to a purity of 10-20;²² the average street purity is 12%.²³ "Cutting" involves diluting the cocaine's purity by adding ingredients such as lactose, amphetamines, and prococaine.²⁴ Cocaine (slang terms; blow, C, coke, snow, dust, white flake, etc.)²⁵ can be taken by the user either orally, intravenously, intranasally, or can be smoked, a method called freebasing. Intranasal use, or "snorting," is the dominant method.

Although cocaine is not believed to be a physically addicting drug,²⁶ reported cocaine-related injuries have tripled since 1974.²⁷ Cocaine has also been shown in some cases to be psychologically addictive.²⁸

3. Use of Cocaine in the United States

The coca plant first came to the West's attention with the Spanish conquest, but it was largely ignored until the mid-19th century. Cocaine was isolated in 1860 by a German pharmaceutical firm, and from 1884-1906 it was heavily marketed in the United States by American entrepreneurs, who found a great demand for the new drug. The Pure Food and Drug Act of 1906 and the Harrison Act of 1914 effectively outlawed

the non-prescription use of cocaine. By the 1930s illegal cocaine use was minimal, confined largely to jazz men, movie stars, and the rich.²⁹

Today, cocaine is the drug of choice for millions of solid, conventional, and often upwardly mobile citizens.³⁰ 1976 studies indicated that between 4 million³¹ and 7 million³² Americans had used cocaine at least once. Today, it is estimated that between 10 million³³ and 15 million³⁴ Americans have used cocaine. Of these individuals, use ten percent cocaine daily, and 70 per cent use cocaine at least twice a month.³⁵

According to the DEA, between 25 and 31 metric tons of cocaine are smuggled into the United States annually,³⁶ all from South America.³⁷ Other sources place the figure at anywhere from 44 tons.³⁹ Government officials concede that only 5-10 per cent of the cocaine traffic is successfully interdicted.⁴⁰

At the street level, cocaine costs between, \$1,400⁴¹ and \$2,500⁴² an ounce depending on the quality of the product. The average street value is approximately \$2,200 an ounce, roughly five times the price of gold.⁴³ An evening's dose of cocaine, 150 milligrams,⁴⁴ costs the user approximately \$15-\$25.⁴⁵

In 1968, Americans spent approximately five million dollars on cocaine.⁴⁶ In 1980, the DEA estimated that the annual retail value of the cocaine trade ranged from 12-16 billion dollars.⁴⁷ Other sources place the figure as high as 30 billion dollars.⁴⁸

The increase in price along the chain goes as follows.⁴⁹ 500 kilos of coca leaves are sold by the farmer for \$250; it is then converted into 2.5 kilos of coca paste, which may be sold for \$3,000 to \$5,000; the 2.5 kilos of paste is then processed into one kilo of cocaine base,

which may be sold for \$8,000 to \$11,000; it is then converted into one kilo of cocaine hydrochloride, which sells for \$15,000 to \$20,000 to a United States buyer. On the East Coast of the United States, one kilo, duly imported, nets \$38,000 to \$40,000. The wholesaler then cuts the cocaine to 50% strength, and it may be sold for \$76,000 to \$80,000. By the time it reaches the street diluted to 12% of its original purity, it sells for \$80,000.⁵⁰ As such, with cocaine's widespread acceptance and increasing popularity, the traffic has attracted a full range of independent traffickers as well as sophisticated criminal organizations.⁵¹

4. Cocaine Trafficking

a. The Independents

The cocaine traffic is far less structured than the heroin traffic and is characterized by more numerous deliveries.⁵² Because of the great profits and the diminished likelihood that they will be caught, persons from all walks of life, including doctors, lawyers, businessmen, and entertainers are engaged in cocaine trafficking.⁵³ The recent investigations at the Chicago Board of Trade illustrates that cocaine dealing, although associated with traditional criminal elements, is also a white-collar enterprise.⁵⁴

(1) The Casual or Small-Time Dealer

Almost anyone who buys cocaine can become a dealer by simply "cutting" his supply and reselling a portion at a good profit. A number of young professionals reportedly add \$10,000-\$20,000 to their annual incomes by dealing cocaine.⁵⁵ The number of those who run these small cocaine businesses is difficult to ascertain.

A recent arrest in Illinois illustrates the impact of small-time dealers on the cocaine trade. The police arrested five women and three men, seizing drugs with a street value of 2.5 million dollars. The eight suspects travelled in the same circles, but they worked as individuals, not as a sophisticated drug ring. They were dealing cocaine to anyone who wanted to buy.⁵⁶ The small-time or casual dealer, nevertheless, obtains his supplies from a more established source. Occasionally, the more adventurous independent dealers will establish contacts directly with a South American source. But because of the danger and initial expense involved, this practice is more the exception than the rule. In one case, an independent dealer from Chicago flew to Colombia and purchased \$3,000 worth of cocaine. The cocaine was divided into 18 gram increments, put in 47 envelopes and mailed to the United States at a profit of \$25,000.⁵⁷

(2) Large-Scale Operations

Individuals from all walks of life are also involved in organizations that systematically distribute large quantities of cocaine in the United States. Many of these organizations were formed within the last ten years⁵⁸ in an effort to reap the great profits involved in cocaine trafficking. Evidence indicates that these organizations usually obtain their supplies from organized smuggling groups within the United States. Since Miami is the primary cocaine port of entry,⁵⁹ distributors from across the United States usually journey to the South Florida area to obtain the necessary supplies.⁶⁰

Large scale independent operators occasionally establish contacts directly with South American sources, but as with the small time dealer, this practice is more the exception than the rule. A case in point,

however, is that of James Joseph Boyle III.⁶¹ Boyle, a promising athlete, dropped out of Oklahoma State University in the early 1970s, and he found himself in need of money. In August, 1972, he took a commercial flight to Santiago, Chile, where he obtained five kilograms of cocaine for \$10,000. Back in California, Boyle quickly sold the cocaine at a \$40,000 profit. By the spring of 1973, Boyle had expanded to Kansas City, Los Angeles, and Dallas, and by the time of his arrest in September 1973, Boyle's group had smuggled over fifty kilograms of cocaine into the United States. Boyle's ring, though profitable, lack the necessary layers of insulation, which usually serve to shield the ringleaders of more sophisticated criminal organizations.

Large scale independent operators in the Southwest often establish contacts with Mexican trafficking organizations, which channel the cocaine from South America. In a 1977 investigative report by Newsday that described the major narcotics smuggling groups in Arizona, five of the nine cocaine smuggling groups indentified were headed by individuals who apparently had no ties to any Mafia-type organized crime groups. Each had entered the cocaine trade by cultivating Mexican contacts. Gradually, their busineeses expanded; the organizations included;

- (1) The Cooper Organization: William Cooper formed this group sometime between 1974 and 1977. According to customs officials, the organization used a small fleet of 13 aircraft to transport cocaine and marijuana. Airports in Wisconsin, Alaska, and Minnesota were used by this organization. Associates included Peter H. Scheuer of Minnesota and William M. Lechuga of Phoenix.⁶²

(2) The Senner Organization: George F. Senner III of Phoenix led this 30 member group, which supplied large quantities of cocaine to Phoenix and Colorado. Pickup campers and horse trailers were used to transport the supplies. Members included Edward T. Gallegos and Ralph M. Chavez, both of Holbrook, Arizona.⁶³

(3) The Breen Organization: Headed by brothers Gary and Steven Breen of Phoenix, this organization dealt primarily in cocaine. Small quantities were regularly smuggled to Phoenix from Mexico and distributed among the friends of the Breens.⁶⁴

(4) The Lamb Organization: This organization was headed by William Vernon Lamb, and it supplied cocaine from Peru and Colombia to Denver, Las Vegas, and Bethesda, Maryland. Members included John Price of Phoenix.⁶⁵

(5) The Bond Organization: Based in Tucson, Arizona, this organization was headed by James C. Bond. Cocaine and marijuana were smuggled by air to Newport Beach, California, Canada, Boston, and New York City. The organization was supplied by Rosenda Sanchez of Magdalena de Kino, Mexico. Associates included Edward Caballero, Jr. and Glen Donuhue.⁶⁶

The number of large scale independent cocaine organizations in the United States is impossible to determine. Evidence indicates, however, that their impact on the cocaine trade is great, particularly below the importer level.

b. Organized Crime Involvement

Despite the large numbers of individuals involved in cocaine trafficking, independent operators do not smuggle in the vast quantities

of cocaine needed to supply the American market. Hank Messick⁶⁷ put it well:

"You still have a few people who will put ten or twelve thousand dollars together and send one of their number down [to South America] for one kilo of cocaine, and if that is successful, the cocaine will be sold and it will end there. But the bulk of the commercial smuggling ventures, where you get the multi-kilo quantities of cocaine...are being directed by well-organized, fairly experienced narcotics traffickers in South America and the United States."

By contrast to the heroin traffic, the cocaine traffic has been substantially more decentralized with less penetration by Mafia-type organized crime in the United States market,⁶⁸ particularly below the importer/wholesaler level. Nevertheless, by definition, the cocaine trade must be highly organized.⁶⁹ Only an organized group can regularly come up with the enormous amounts of money necessary for cocaine supplies.⁷⁰ But organized crime is not limited to one ethnic group; this is clearly seen in cocaine smuggling and distribution.⁷¹ Mafia-type organizations have never developed in this area the kind of near monopoly they had in heroin in the 1960s.

5. The Colombians

a. The Rise of the Colombians

Since the mid-1970s, Colombian organized crime groups have been increasingly successful in taking over a major share of the domestic cocaine traffic in the United States.⁷² But Colombia's present role in the cocaine trade can only be understood in an historical context. The Cuban revolution, which brought Fidel Castro to power, marked the birth of the "Cuban Mafia."⁷³ The cocaine trade had flourished in Cuba under Batista,⁷⁴ and for centuries cocaine was accepted in Cuba as a luxury,

ranking with good rum and cigars as civilized pleasures.⁷⁵ After the fall of the Batista regime, thousands of Cubans fled to the United States. By early 1960s the Cuban communities of Florida were a base for the continuation of organized crime networks previously established in Cuba.⁷⁶ These Florida-based networks then established Latin American cocaine connections with other ousted Cubans.⁷⁷ The United States, on the verge of a turbulent decade of social upheaval and political dissatisfaction, was a prime market for cocaine.⁷⁸ From 1965-1975, cocaine imports in Florida were, therefore, controlled by Cuban criminal organizations, which brought cocaine from South American countries, particularly Colombia.⁷⁹

Until the mid-1960s cocaine trafficking in Colombia had been largely confined to importing and supplying cocaine for the domestic market.⁸⁰ Only small amounts were sold to Mexican and United States customers.⁸¹ By the mid-1960s, the Colombians had expanded their connections by joining with Cuban traffickers situated in the United States and by increasing the flow to Mexican traffickers.⁸² Colombian traffickers soon became the major source of supply, operating generally in Colombia but supplying other traffickers, who channelled the merchandise into domestic markets.⁸³ From the mid to late 1960s however, the Colombians became more heavily involved in the cocaine trade by producing their own cocaine from paste and becoming more active in trafficking to the United States.⁸⁴ Colombian organized criminal groups next expanded Colombia's role from producers and couriers for other distribution networks to become actual traffickers and distributors.⁸⁵ In the early to mid 1970s Colombian groups became actively involved in selling cocaine in South Florida, a traditionally

Cuban-controlled area.⁸⁶ By late 1977 or early 1978, Colombian criminal organizations in fact had increasingly cut their ties with non-Colombian cocaine distribution groups in an effort to further dominate the United States cocaine market.⁸⁷ The number of Colombian aliens arrested within the United States for drug offenses between the years 1976 and 1979, therefore, reflected the increasing Colombian movement into the United States domestic market. In 1976, 183 Colombian aliens were arrested in the United States for a drug offense; by 1979, that figure had risen to 432, an increase of over 200%.

b. The Colombians Today

Despite assertions to the contrary,⁸⁹ Colombian criminal organizations, however, do not have a monopoly over the United States cocaine trade. To control traffic of the current magnitude would be nearly impossible, for at least three reasons:

(1) Because of the enormous profits in cocaine trafficking, independents, traditional organized crime elements, and newer organized criminal groups will be constantly seeking a share of the lucrative market;

(2) The large demand for cocaine in the United States far exceeds the ability of any one group to control the trade from coca plant to consumer;

(3) As coca plant cultivation increases in response to demand and profits, cocaine becomes more accessible to various trafficking elements.

Although the Colombians do not monopolize the cocaine trade, they remain the dominant force,⁹⁰ for several reason:

(1) Colombia's unique geographical position, since Peru, the

world's largest coca plant producer, lies below Colombia's southern border, and Bolivia, the world's second largest producer, lies less than six hundred miles to the south; finally, Colombia is only 1,100 miles away from the world's largest cocaine market, the United States;

(2) Colombia is the world's principal processor of cocaine.⁹¹ Colombia has better access to high industrial chemicals and easier routes to the world's cocaine markets than her South American neighbors.⁹² In some Colombian rural districts, traffickers act with impunity, making these ideal cocaine processing areas;⁹³ and

(3) Colombian has a large and aggressive criminal underworld⁹⁴ with the expertise needed to move cocaine to world markets.⁹⁵

These factors explain why anywhere from 50%⁹⁶ to 70%⁹⁷ of the cocaine coming to the United States passes through or is refined in Colombia.

c. The Colombian Organizations

Although the Colombia-based cocaine trafficking organizations vary in size, most started as wildcat operations with about five members.⁹⁸ In 1975, United States authorities estimated that between 60-80 major Colombian criminal organizations were involved in cocaine trafficking.⁹⁹ Approximately half of these groups contained 50-100 members each, with ample capital, sophisticated organization, and layers of insulations.¹⁰⁰

The Colombian cocaine traffic today, however, is dominated by 14¹⁰¹ to 25¹⁰² "Mafia-style"¹⁰³ organizations. The heads of these trafficking organizations are called "padrinos" or god-fathers.¹⁰⁴ The padrinos use threats and bribes to stay ahead of the law and have bought into legitimate businesses in Colombia with their cocaine revenues.¹⁰⁵

Experts in DEA argue that Colombia traffickers have in fact reached

the "quasi-industrial stage," and as such, they are becoming invulnerable to law enforcement efforts.¹⁰⁶ There are, they suggest, the six operational principles at work in the Colombian cocaine trafficking organizations:¹⁰⁷

(1) Expertise: members of the organization must be thoroughly acquainted with all aspects of the product;

(2) Efficiency: close and continuous relationships must be maintained between the sources of supply and the market;

(3) Solvency: a steady cash flow must be maintained and money must be handled expertly;

(4) Discipline: members of the organization must understand that cooperation with the police means death;

(5) Security: the members of the organization must have a knowledge of the police and police methods; and

(6) Violence: when necessary, violence must be used without hesitation in order to preserve the organization.

The cocaine trafficking organizations in Colombia are compartmentalized into areas of specialized expertise.¹⁰⁸ Only the upper echelons of the operations are actually involved in directing and financing the groups' activities.¹⁰⁹ As such, the organizations' leaders are insulated from law enforcement efforts and the wealth derived from cocaine profits are concentrated in few hands.¹¹⁰

Areas of specialty in these organizations include:¹¹¹

- (1) procurement of cocaine paste or cocaine base;
- (2) smuggling of cocaine paste or cocaine base and/or the stockpiling of loads of cocaine paste prior to processing;
- (3) processing at clandestine laboratory sites;

- (4) making connections with entrepreneurs or other dealers;
- (5) arranging and providing transportation and travel needs;
- (6) legal services;
- (7) the acquisition of false identification and documents;
- (8) couriers;
- (9) money movers; and
- (10) launderers.

These relatively sophisticated Colombian organizations apparently control up to 90% of the cocaine traffic through Colombia and from 45% to 60% of the flow to the United States. Despite these impressive statistics, the Colombians in fact earn far less than a third of the eventual cocaine profits.¹¹² The largest share goes to American criminal elements,¹¹³ a fact that accounts for the movement of the Colombian into the American traffic itself.

The character of the Colombian organizations may be illustrated by an examination of the Herrera Organization. One of the most important padrinos in the Colombian cocaine structure is Benjamine (Papa Negro) Herrera Zuleta.¹¹⁴ Herrera, called one of "the brains of the Colombian cocaine traffic," runs a multimillion dollar organization,¹¹⁵ containing approximately 92 members, the core group of which are his seven brothers, two sisters, cousins and in-laws.¹¹⁶ The organization operates several cocaine processing labs in Colombia under the direction of a chemist, Carlos Alvarez.¹¹⁷ Herrera's laboratories produce 40¹¹⁸ to 120¹¹⁹ kilograms of 90% pure cocaine each month. From the laboratories, the cocaine is shipped to Emilio Herrera in Barranquilla, David Herrera in Medellin, and Carlos Herrera in Bogota. From these points, the cocaine is then sent to the United States, the bulk of the

shipments going to Miami and New York.¹²⁰ Couriers are paid between \$500-\$1,000 smuggle quantities of 2-4 kilograms into the United States.¹²¹ The cocaine produced by the Herrera organization brings approximately 20-50 million dollars a month on the street in the United States.

d. Cocaine Transport

(1) Shipping by Sea

Miami, Florida is the primary cocaine port of entry for the United States, followed by Los Angeles, California, and San Juan, routed through the Yucatan Channel, between Mexico and Cuba.¹²⁹ When sailing either of these first two routes smugglers will consciously avoid Cuba, a country known for its stiff drug penalties.¹³⁰ The third route is through the Mona passage, which is bordered by the Dominican Republic and Puerto Rico.¹³¹ From these three major routes, the smugglers can go into the Gulf of Mexico, to either coast of Florida, or north along the East Coast of the United States.¹³²

(2) Shipping by Air

The predominant method of transporting cocaine to the United States is, however, by air. In 1977, only 33% of the cocaine shipments to the United States were by air,¹³³ but by 1979 the figure had risen from 50%¹³⁴ to 65%.¹³⁵ Sailing is tedious, more vulnerable, and the larger loads subject the shippers to stiffer penalties;¹³⁶ it is, therefore, imprudent to ship large amounts and more prudent to ship by air. Accordingly, smaller amounts of cocaine, usually under four kilograms,¹³⁷ are transported on commercial flights by low-level couriers called "mules."¹³⁸ This method of smuggling accounts for the greatest part of the cocaine traffic.¹³⁹ "Mules" are easily

recruited in Colombia, and they are expendable,¹⁴⁰ serving as "cannon fodder" for organizations that hire them. A commercial air traveller from Bogota, for example, can make \$10,000 simply by carrying a pound of cocaine about the size of a paperback book.¹⁴¹ Braniff Flight 922 from Bogota to Los Angeles has been dubbed the "cocaine special."¹⁴² In one popular technique of smuggling the passenger from Colombia hides the cocaine on the plane, clears Customs in Los Angeles, reboards, then gets off in San Francisco with the cocaine. Other smuggling techniques employed by the couriers are in fact bounded only by the human imagination.

Since cocaine can easily be separated from liquids, it is, for example, often dissolved in liquor or perfume; it can be soaked into cotton clothes, dried, and retrieved with only a 10% loss;¹⁴³ false bottom suitcases are also used.¹⁴⁴ Cocaine may be carried in body cavities or under clothing.¹⁴⁵ It may also be transported by airline crews,¹⁴⁶ and carried inside candy bars, toothpaste tubes, under wigs, or sewn into leather items. Whatever technique is used, once the courier arrives at his destination, he is met by a member of a domestic distribution organization, who relieves him of his valuable cargo. The dangerous part of the journey is at an end.

There is evidence that private aircraft are being increasingly used for smuggling cocaine to the United States. These aircraft are invariably owned by Americans,¹⁴⁷ which suggests increased American involvement in purchasing cocaine directly from South America. In addition, the value of the private aircraft seized and the sizes of the cocaine shipments occasionally interdicted suggest that well-financed criminal organizations are behind these smuggling ventures. A June 1981

cocaine arrest of a twin-engine Cessna pilot resulted in the seizure of 440 pounds of cocaine with an estimated street value of 16 million dollars.¹⁴⁸ An airline seizure on the Grand Exuma Island in the Bahamas on June 12, 1978 also produced cocaine with an estimated street value of 1.5 billion dollars.¹⁴⁹

Finally, South American trafficking groups, particularly Colombian, are seeking new and expanded markets in Western Europe.¹⁵⁰ Direct shipments to Europe are being increased and a strong market is beginning to develop there.¹⁵¹

3. Cocaine Distribution

The heaviest concentrations of sophisticated Colombian cocaine organizations, controlling every facet of cocaine flow from the mountains of Peru and Bolivia to the American consumer, are in Miami, New York, and Los Angeles. Colombian cocaine networks, although not monopolizing the market in these areas, exercise their greatest control in these cities. Outside of these three cities, the distributive networks are, as yet, marked by less Colombian involvement.

The successful penetration by the Colombians at the domestic distribution level has been made possible, at least in part, by the existence of a large Colombian colony in the United States, many of whose members have ties with cocaine traffickers in Colombia.¹⁵² Heavy concentrations of Colombians are, in fact, in Miami, New York, and Los Angeles. Not surprisingly, Miami is the major cocaine port of entry in the United States, followed by Los Angeles, and then New York.¹⁵³

Jackson Heights, a middle class residential section of Queens in New York City is illustrative of the Colombian cocaine network that has developed within the United States. In Jackson Heights, 200,000

Colombian immigrants live, and in the early 1970s six Colombian gangs, a network of about 1,000 individuals, established a cocaine connection there.¹⁵⁴ One of the largest was that of Alberto Bravo, whose organization included 150 individuals,¹⁵⁵ and that smuggled up to 1.4 billion dollars worth of cocaine into the United States in the early to the mid 1970s.¹⁵⁶ Eight major dealers and 112 lesser figures were arrested in October 1974, when law enforcement officials disrupted Bravo's extensive distribution network. Drugs were seized in Manhattan, Queens, Miami, Los Angeles, Toronto, and San Antonio.¹⁵⁷ The cocaine flow to New York alone was 20 pounds per week, worth about 2.5 million dollars at the street level.¹⁵⁸ Bravo himself managed to escape to Colombia just prior to the arrests,¹⁵⁹ but he was later arrested in Florida, convicted, and sentenced to twenty years in prison.¹⁶⁰ Couriers used specially-made vests, custom designed to hold four kilograms of cocaine each, and false bottom luggage to smuggle in the bulk of Bravo's supply.¹⁶¹ Bravo's cocaine network originated in Medellin, Colombia and the 200 member organization which supplied Bravo is reportedly still intact.¹⁶²

6. Other Major Cocaine Distribution Networks

Aside from independent cocaine distribution rings, whose significance ought not to be underestimated, the following groups, along with the Colombians, are actively involved in the cocaine trade.

a. The Cubans

Despite the relative decline in Cuban involvement that accompanied the increase in Colombian participation in traditionally Cuban-controlled areas, Cuban groups are still heavily involved in United States cocaine distribution.¹⁶³ Cuban cocaine distribution

networks are particularly strong in South Florida and the New York City area. Evidence indicates, too, that Colombian traffickers are still the principal suppliers of the Cuban networks.

In 1975, the New York Times reported that four organizations controlled the bulk of cocaine importation and distribution in the New York area.¹⁶⁴ The organizations were reportedly headed by Gustavo Restrepo, Ramon Matos, Lilia Parada, and Hugo Curbello, two of whom were Cuban, while the other two were Colombian.¹⁶⁵

One primarily Colombian organization, with reported Cuban involvement, smuggled hundreds of kilograms of cocaine into the United States from Colombia for distribution, primarily in New York City.¹⁶⁶ Several key figures in the organization were convicted in 1977.¹⁶⁷ The organization was multi-tiered, with various members at different levels of command.¹⁶⁸ It was represented in the United States primarily by its importers, with couriers slipping in and out of the country.¹⁶⁹ Much of the cocaine arrived in false-bottom shoes and suitcases, hollowed-out coat hangers, and double-lined girdles and brassieres.¹⁷⁰

Accordingly, when cocaine reaches New York it usually goes to major distribution rings that are dominated by either Cubans or Colombians and are centered in areas with large Latin populations, such as Jackson Heights, the South Bronx, Washington Heights, and Union City, New Jersey.¹⁷¹ These New York rings wholesale the cocaine in kilogram lots.¹⁷² The wholesalers then market it in ounce lots, often at Latin bars and restaurants.¹⁷³ Since there are roughly 29 grams to an ounce, purchasers of ounce quantities are often engaged in small-time dealing. This lowest level of cocaine dealing is marked by the greatest diversity of individuals involved.

b. The Mexicans

Apparently, Mexico is decreasing in importance as a cocaine corridor to the United States. Despite a Newsday story in 1977 that labelled Mexico the "dispatching center of Latin American cocaine,"¹⁷⁴ a General Accounting Office study that same year suggested that Mexico was in fact the source of only 33% of illicit United States cocaine supplies.¹⁷⁵ Today, moreover, the estimates are that only 25% of United States cocaine supplies flow into the country through Mexico.¹⁷⁶ Using these DEA estimates,¹⁷⁷ this translates into approximately 4-6 tons of cocaine annually.

The shift away from Mexico as a cocaine supplier has been due to several factors. First, because of Mexican law enforcement efforts in the mid-1970s, there was a general shift from Mexico to Colombia as the major United States marijuana supplier.¹⁷⁸ This shift immobilized many Mexican trafficking organizations that had smuggled both marijuana and cocaine to the United States. Second, the Colombian cocaine traffickers, who had traditionally supplied Mexican traffickers,¹⁷⁹ began to smuggle cocaine directly to the United States in the mid-1970s.¹⁸⁰ Accordingly, cocaine supplies to Mexican traffickers decreased substantially during this period. Finally, the relative ease of smuggling cocaine into Florida combined with the proximity of Colombia has made that state the ideal entry point for cocaine into the United States.¹⁸¹

Despite Mexico's decline as a cocaine source, Mexican criminal organizations still play a significant role in cocaine trafficking in the United States. These organizations generally smuggle cocaine into the United States with other drugs, usually heroin. Well-organized

rings, centered primarily in the Culiacan region of Mexico, channel cocaine from Latin America into the United States.¹⁸² The constant legitimate commercial traffic between Mexico and the United States makes smuggling a relatively easy task. In 1975, there were 157 million legal border crossings into the United States from Mexico.¹⁸³ "Mules" are paid to smuggle small amounts into the United States. Private aircraft are also used to bring in cocaine supplies.

The scope of Mexican activity may be illustrated by examining several organizations. An organization headed by Jesus Manuel Araujo-Avila operated from Los Angeles and supplied cocaine and heroin to major cities in the United States, from Seattle and Los Angeles on the West Coast to New York and Pittsburgh on the East Coast.¹⁸⁴ Total law enforcement seizures from the Araujo-Avila organization included 93 pounds of cocaine.¹⁸⁵ Twenty-three members of the organization were indicted in August 1979.¹⁸⁶ It is unclear how many other individuals were associated with the operation. Similarly, Jesus Camacho, a DEA fugitive, was the boss of a large-scale heroin and cocaine smuggling operation based in Nogales, Mexico. Camacho often used prostitutes to carry supplies across the border into the United States. Members included Rene Gaveno, Jorge Diaz, and Albert Nunez.¹⁸⁷ Sergio Ramirez Alarcon heads another Nogales-based operation, which deals in heroin and cocaine. Ramirez is reportedly closely allied with Johnny Grant Gomez, a major heroin dealer also operating from Nogales. Grant's organization supplies cities as far away as Washington, D.C.¹⁸⁸

Finally, Hector Ambriz, also a DEA fugitive, runs a family drug network from Nogales, Mexico. The Ambriz organization has dealt in heroin and cocaine; its members include Cruz Venegas Ambriz, Jaime Ambriz, and Julio Romero Sanchez Ambriz.¹⁸⁹

Two other Mexican organized crime groups, La Nuestra Familia and the Mexican Mafia, also are actively involved in narcotics trafficking in the Southwestern United States.¹⁹⁰ La Nuestra Familia means "our family;" it is ...also known to members as "NF."¹⁹¹ There are 250¹⁹² to 1,000¹⁹³ West Coast members. They have a boss who is known as the "nuestra general."¹⁹⁴ Below that, there are captains, lieutenants, and soldiers.¹⁹⁵ La Nuestra Familia extends into Arizona and New Mexico.¹⁹⁶ The Mexican Mafia, or the "eme," is less structured than La Nuestra Familia.¹⁹⁷ The street commander of the "eme" is known as the general or godfather.¹⁹⁸ The lower echelon ranks are the captains and lieutenants.¹⁹⁹ The extent to which these two criminal organizations are involved in cocaine trafficking is, however, unclear. Because of cocaine's popularity on the West Coast, it must be inferred that La Nuestra Familia and the Mexican Mafia are involved in the cocaine trade to some extent.

There has been less penetration by Mafia-type organized crime groups in the Western United States, particularly in the area of narcotics.²⁰⁰ Because of the ease of smuggling drugs across the Mexican border into the United States, independents and sophisticated criminal organizations both are involved in the cocaine traffic out of Mexico. The "openness" of the West is illustrated by the results of a 1977 Newsday survey of the major narcotics smuggling organizations in Arizona. Of the nine cocaine smuggling organizations identified, only one had La Cosa Nostra ties, three were controlled by Mexican syndicates, and five were headed by independent operators.

c. The Israeli Mafia

The "Israeli Mafia," a group of 40²⁰¹ to 250²⁰² members, mostly

Israeli citizens,²⁰³ operates primarily in Los Angeles, California. This criminal organization is said to be channelling its energies into narcotics trafficking, and by one account controls 50% of the cocaine traffic in the Los Angeles area.²⁰⁴ Given the strong Colombian presence in the Los Angeles area, this figure is probably inflated. Nevertheless, the Israeli Mafia has capitalized on the generally unorganized nature of criminal activities in Los Angeles, and it is presently believed to be worth up to 100 million dollars.²⁰⁵ The Israeli Mafia obtains its cocaine supplies from Miami as well as Mexico City.²⁰⁶ Commercial aircraft facilitates the flow of cocaine from Miami to Los Angeles,²⁰⁷ while supplies from Mexico enter the United States, either overland or by private aircraft. Reportedly, the Israeli Mafia also has ties with La Cosa Nostra elements in the Los Angeles area. David Bachisiyan, Arie Bachisiyan and Raphael Ben Simon, reputed members of the Israeli Mafia, have documented ties with La Cosa Nostra in Los Angeles,²⁰⁸ and the two groups occasionally work together.²⁰⁹

d. The Bolivians

Though nearly ever Latin American may be involved to some degree in cocaine trafficking,²¹⁰ Bolivia's role is becoming more prominent. The illegal cocaine trade earned an estimated 500 million dollars for Bolivian traffickers in 1979.²¹¹ There are at least 50 new millionaires in Bolivia because of the cocaine trade, and several of these individuals are believed to be worth in excess of 30 million dollars.²¹² Santa Cruz, the cocaine capital of Bolivia,²¹³ is also the stronghold of the right wing groups that helped General Luis Garcia Meza oust interim President Lidia Gueiler on July 17, 1980.²¹⁴ Whom Gueiler's government cracked down on the Bolivian cocaine trafficking,²¹⁵

Bolivian drug traffickers, who often finance and arm military men with political ambitions,²¹⁶ reportedly played a major role in Gueiler's overthrow. Some Bolivians are calling this the "cocaine coup."²¹⁷

The United States ended all cooperation with the Bolivian government on narcotics control in 1980, when it was discovered that definite financial connections existed between the current military junta and large scale cocaine traffickers.²¹⁸ Rudy Landivar, a right wing coalition leader, is reportedly a key figure in the Bolivian cocaine trade.²¹⁹ This has led to allegations that the government itself may be involved in drug running.

There is, however, little evidence of direct Bolivian involvement in cocaine distribution within the United States. Bolivian supplies are apparently shipped to the United States either through Colombia or Mexico.²²⁰ There is also evidence that Bolivian cocaine is being sent directly to the West Coast area.²²¹ Bolivian involvement in the movement of cocaine seems to be minimal, implying that organized trafficking groups purchase cocaine in Bolivia and are then responsible for transporting it to the United States. If this is the case, cocaine traffickers in the United States could conceivably bypass the Colombian connection and open routes directly from Bolivia.

The scope of typical Bolivian operations may be illustrated by one incident. Alfredo Gutierrez, a Bolivian, was arrested in May 1980 in connection with a nine million dollar downpayment in a cocaine deal that DEA officials valued at 200 million dollars. He forfeited his \$100,000 bail and presumably left the country.²²²

e. La Cosa Nostra

There is little direct evidence that would indicate the precise

extent of La Cosa Nostra involvement in cocaine trafficking. Based on the existing information, however, some tentative conclusions can be drawn. At least 17 LCN families²²³ and 117 known LCN members²²⁴ are active in Florida. La Cosa Nostra's presence in the Florida area, where 40% of the nation's cocaine enters the United States,²²⁵ suggests the possibility of considerable involvement in cocaine trafficking, particularly when revenues from it run to six billion dollars annually.²²⁶ While there is no direct evidence of an LCN cocaine channel to South America with LCN elements transporting its supplies to the United States, the evidence of such direct LCN involvement in the marijuana trade suggests that LCN may be similarly involved in the cocaine traffic from South America. In addition, government agents posing as LCN leaders have been readily accepted in Colombia as legitimate purchasers of multi-kilo quantities of cocaine,²²⁷ arguing that there may be LCN involvement in actually transporting cocaine to the United States.

Although LCN elements have the resources, experience, and expertise needed to smuggle cocaine into the United States,²²⁸ the available evidence indicates that LCN groups merely purchase large amounts of cocaine after it has been smuggled into the country by Latino groups,²²⁹ primarily Colombians. Since LCN is by far the best organized criminal group in the United States, with 26 families and up to 50,000 confederates,²³⁰ there is a natural network for the cocaine supplies obtained in Florida. The importer/wholesaler roles are, of course, the most profitable links in the cocaine distribution chain. An importer will pay approximately \$38,000-40,000 for a kilogram when it has been smuggled into the United States.²³¹ By the time it is adulterated, or

cut, by the wholesaler, the street value of the cocaine is as high as \$800,000.²³² An organization with established distribution networks like LCN could turn great profits in the cocaine trade, if supplies were assured. David Vidal, a writer for the New York Times, claims "the lion's share [of eventual cocaine profits] goes to the American underworld."²³³ Presumably, LCN figures prominently in this division of profits.

The existing evidence of LCN penetration in the cocaine market may be grouped in three ways. First, LCN has in fact acted in concert with Latin organizations that have been actively involved in the cocaine trade since the early 1960s,²³⁴ mostly in South Florida. These include Colombian, Cuban, and Mexican organizations.²³⁵ LCN involvement with Mexican organizations also takes place in the West. Because the Florida drug trade is so large, these various groups manage to coexist,²³⁶ sometimes even peacefully.²³⁷

Second, LCN has apparently taken over some existing cocaine distribution outfits in the United States.²³⁸ The operations that LCN has taken over, however, have been generally independent, as opposed to the established Cuban or Colombian organizations, since the Cuban and Colombian organizations are often too powerful to dominate. In addition, Colombians control the bulk of supplies. Nevertheless, should LCN cultivate alternate sources such as Bolivia, LCN could conceivably challenge Colombian dominance of the cocaine market.

Third, LCN has evidently bought its way into the market in some areas by purchasing large quantities of cocaine and driving out the independents.²³⁹ Because of these LCN efforts, the cocaine trade is, therefore, becoming increasingly centralized at the importation

level.²⁴⁰ The independent organizations are, at least in some cases, either being driven out of the business or taken over by LCN elements. The efforts of Colombian groups to exercise greater control over United States distribution has also contributed to this centralization.

LCN involvement may be illustrated by looking at two drug organizations. First, from the late 1960s until 1975, Richard Cravero headed one of the largest marijuana and cocaine operations in South Florida,²⁴¹ an organization of approximately 150 members.²⁴² Cravero obtained his supplies from a Colombia-based group which included Otto Archibald, Alberto Ramirez, and Aldopho Gomez.²⁴³ The narcotics would come from Colombia on a large ship and transfers would be made to smaller ships off the Miami coastline.²⁴⁴ Most of Cravero's speedboats would land at Cod Sound in Monroe County.²⁴⁵ The cocaine and marijuana would then be shipped to the Atlantic coastal states, into the Midwest, and the South.²⁴⁶ Although Cravero chose not to become a "made" member of LCN, his organization clearly owed allegiance to the Gambino family of New York.²⁴⁷ Cravero often associated with Ralph Broccoli, a soldier in the Gambino family,²⁴⁸ and he picked up money from Charles Gambino to finance drug purchases.²⁴⁹ Accordingly, the operation of the Cravero organization emphasizes four significant points about LCN involvement in the cocaine trade. First, LCN has been involved to some degree in cocaine trafficking at least since the late 1960s. Second, South Florida is the area of greatest LCN involvement in the trade. Third, LCN groups use their resources to finance large purchases of cocaine, assuring themselves of a good return on their investment. Fourth, LCN groups often purchase cocaine from established Colombia-based organizations, which in turn transport the cocaine to the United States.

A second LCN related organization is that of Peter Licavoli, Jr., son of LCN boss Peter Licavoli, Sr., who runs his own Arizona branch of the old Zerilli-Licavoli crime family of Detroit. Licavoli is in fact the boss of a drug ring operating from Tucson, Arizona, which smuggles both cocaine and heroin to St. Louis; Detroit; Youngstown, Ohio; Anaheim, California; and Boston.²⁵⁰ The Licavoli organization, therefore, illustrates three additional points about LCN involvement in the cocaine trade: First, although LCN groups obtain the bulk of their cocaine supplies from the South Florida area, Mexico is also a source when Mexican criminal organizations supply LCN groups.²⁵¹ Second, LCN groups establishing themselves in the West have turned to drug importation as a source of revenue. Third, LCN cocaine importation operations may be very profitable because the supplies can be channelled into existing nationwide distribution channels.

7. Law Enforcement Response

Stemming the South American cocaine flow is cited as a key objective by the DEA.²⁵² Nevertheless, federal efforts to check this flow have been less than successful. Only 5-10% of the cocaine flow in the United States is seized by law enforcement agencies.²⁵³ Because cocaine is smuggled in small amounts and in a variety of ingenious ways, enforcement efforts have little effect on the cocaine traffic. Seizures may be summarized as follows:

<u>Cocaine Seizures: Drug Enforcement Administration:</u> ²⁵⁴								<u>1972-1979</u>
	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
Domestic	427	239	537	700	675	492	743	4,315
Foreign	261	1011	1114	1077	3520	3136	6198	8,940
	<u>688</u>	<u>1250</u>	<u>1651</u>	<u>1777</u>	<u>4195</u>	<u>3628</u>	<u>6941</u>	<u>13,255</u>

**DEA figures represents cocaine seizures in pounds.

Cocaine Seizures:

<u>Coast Guard</u>	<u>1973-1979</u>		<u>(in kilos)</u>			
	<u>1973-74</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
	1.	0	20	0	0	.04

Cocaine Seizures: Customs, 1977-1980²⁵⁵

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
Number of Seizures	1,025	846	1,259	1,307
Quantity (in lbs.)	925.1	1418.7	1,438.1	4,742.9
Street Value (millions of dollars)	246.167	380.012	424.383	1,528.826

Customs: Size of Average Seizure (in pounds)

	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>
	.92	1.67	1.14	3.62

Cocaine traffickers are often better equipped than the DEA and Customs.²⁵⁶ Traffickers employ sophisticated intelligence networks, high performance vessels and aircraft, and the latest communications equipment.²⁵⁷ Because these groups monitor the radio bands, the DEA agents have to talk in code over their frequency.²⁵⁸ Compounding the law enforcement frustrations is the frequent reluctance of judges to convict for simple possession of cocaine.²⁵⁹ Convicted couriers draw average jail terms between two and three years: female couriers: 24 months, male couriers: 36 months.²⁶⁰ These convictions do little or nothing to stem the cocaine flow.

Because interdiction is a technique of limited impact, the traffic must also be hit at the source through crop eradication, crop substitution, and overall substitute economic development.²⁶¹

Accordingly, coca leaf control is essential to a strategy of effective cocaine enforcement.²⁶² Since Peru and Bolivia are the principal coca leaf producers in the world, the extent of the cocaine traffic depends greatly on their efforts to limit production.²⁶³ In 1979, Peru undertook a limited coca plant eradication program at the urging of the

United States government.²⁶⁴ By most accounts the effort was a failure,²⁶⁵ although the United States remains hopeful about future Peruvian cooperation in this area.²⁶⁶ Similarly, the Bolivian approach to coca plant control at first seemed promising. Registration of coca land began in 1977 in an effort to limit excess production.²⁶⁷ Nevertheless, the foreign demand prompted many Bolivians to expand their coca fields in defiance of the government, and coca fields have been expanded to such an extent that the country may soon have a problem feeding its already undernourished population.²⁶⁸ The present government's reputed ties with cocaine traffickers²⁶⁹ has ended the United States government's hope of enlisting Bolivian cooperation.²⁷⁰ Even assuming that Peruvian and Bolivian coca leaf growth were totally stopped, coca leaves could easily be cultivated in other parts of the world, such as Java, Madagascar, British Guyana, and Ceylon.²⁷¹ The prospects for success, are in short, not bright.

Henry L. Giordano, former Commissioner of the United States Bureau of Narcotics, testified before the McClellan committee in July 1964. Giordano commented on the problem of coca leaf chewing by natives of Peru and Bolivia.²⁷² Giordano concluded that "the Indians" had to be converted "from chewing the coca leaf into a normal diet so they can eliminate their growth of coco leaf."²⁷³ Giordano's comments illustrate the major difficulty in the eradication approach: the role of tradition. The coca leaf is the chewing gum and the aspirin for a vast region stretching from Colombia into Chile and Argentina.²⁷⁴ Large scale coca leaf eradication would be as popular as a prohibition against tobacco in the United States.²⁷⁵ Coca leaves are as much a part of life in the Andes as the bananas, citrus fruits, coffee, and vegetables that

are grown on the same terraced hillsides.²⁷⁶ Consequently, crop and income substitution must be considered as alternatives to crop destruction.²⁷⁷

Although source control is the most effective method of curbing the cocaine flow in the United States, enforcement efforts in Colombia could also be fruitful. Since the majority of South American cocaine passes through Colombia, effective enforcement in that country could substantially affect North American supplies. Every kilogram of cocaine seized before it enters the United States prevents eight kilograms of cut cocaine from reaching the American streets.

Colombian law enforcement officials occasionally disrupt major networks in Colombia. Operation Kitchen, a 1975 joint DEA-Colombia effort, immobilized seven processing laboratories and resulted in the seizure of a ton of cocaine.²⁷⁸ A September 10, 1978 raid on three other laboratories resulted in an 800 kilogram seizure. The street value of the cocaine was estimated at 400 million dollars,²⁷⁹ twice the Colombian national budget. Nevertheless, the blunt truth is that this avenue of attack does not hold out much promise of success.

D. Marijuana

1. Introduction

In 1968, Americans spent approximately one hundred million dollars on marijuana.¹ In 1979, the Drug Enforcement Administration (DEA) estimated that the annual retail value of the marijuana trade in the United States ranged from 15 to 22 billion dollars.² Journalistic estimates (Time Magazine) placed the figure as high as 24 billion dollars.³ An estimated 43 million Americans have smoked marijuana,⁴ of which at least 15 million are regular users.⁵ These figures have risen

sharply from 1970, when of the 12 million Americans who had tried marijuana, about three million were regular users.⁶ An increase in consumption by users age 18 and over more than compensated for a leveling off in use by youths aged 12-17.⁷

Today, marijuana is the number two illicit income producer of the illicit traffic in drugs.⁸ Of the estimated 9,300 to 12,600 metric tons that were imported into the United States in 1979,⁹ Colombia accounts for about 75%.¹⁰ Illegal production in Hawaii and California is small scale and unorganized.¹¹ Mexico, Colombia and the Caribbean were the main avenues of approach for U.S. destined shipments of marijuana.¹² Florida is the chief gateway (30%) to the United States for the illicit traffic,¹³ most of which arrived by ship.¹⁴

Organized crime involvement in the traffic is mixed. The traffic itself is highly sophisticated, yet decentralized. No one ethnic group has had a monopoly over the traffic, but Mafia-type organized crime participation in it is surfacing, both in smuggling and distribution.¹⁵

Marijuana use is likely to remain at high level, although total consumption may decline, principally among children and teenagers where use rates appear to have stabilized and the population is declining.¹⁶ User preference for higher-potency marijuana will favor the development of a domestic industry.¹⁷ Here, too, the prospects for success of law enforcement efforts at curtailment is bleak.

2. Technical Background

Marijuana is a very special kind of hemp, a plant well-suited for making cordage and sails.¹ Hemp was first cultivated between 5,000 and 10,000 years ago in central Asia.² The first historical reference in Western literature to individuals smoking hemp appears in the Researches

of the Greek historian Herodotus, in 450 B.C.³ Smoking marijuana first became popular in the Western hemisphere, however, in eighteenth century Brazil,⁴ although hemp had been planted in Virginia as early as 1611 to keep the British navy supplied with lines and sails.⁵ Slaves from Africa apparently introduced the Brazilians to marijuana when they brought the seeds of the marijuana plants with them on slave ships to the New World.⁶

Cannabis sativa is the botanical name for the marijuana plant, a plant that grows throughout the world.⁷ Marijuana grows best under the same conditions of soil and climate that favor corn: lots of water, lots of light, and a soil that is high in nitrogen and potash, moderate in phosphorous, but contains little or no clay.⁸

The marijuana growing season varies between 90 and 120 days,⁹ and the plant may mature at one foot, or it may sprout to 20 feet.¹⁰ Leaves branch out from the stalk, dark green in color and as many as 3 inches wide and 7 inches long.¹¹ When dried and crushed, the leaves can be smoked.

The psychoactive ingredient in marijuana is delta-9-tetrahydrocannabinol (THC). Although marijuana grows all around the world, the THC concentration varies from place to place.¹² Colombian marijuana has a THC concentration of 6%-10%, one of the highest in the world.¹³ Most marijuana grown within the United States, on the other hand, has a relatively low THC concentration, not more than .2%-2.0%.¹⁴

It has been suggested that marijuana use in moderate amounts over a short term poses less of a threat to an individual's health than does the indiscriminate use of alcohol and tobacco.¹⁵ Nevertheless, while

there is no indication that marijuana causes brain or genetic damage,¹⁶ there is evidence that marijuana, like tobacco, has adverse effects on lungs.¹⁷ In addition, there are serious risks involved in using marijuana while undertaking activities requiring exact time and spatial judgments, including driving a car and operating machinery.¹⁸

3. Use of Marijuana in the United States

a. Early Marijuana Use

Just prior to World War I, marijuana appeared on the Texas border, where it was called, "Rosa Maria."¹⁹ Bulk imports from Mexico satisfied the United States demand at that time.²⁰ One ounce packages of marijuana were sold over the counter in American drugstores and through mail order business, which sometimes covered several states. In fact, one Texas druggist established a mail business for marijuana, which served customers in Texas, Arkansas, Arizona, Kansas, and Colorado.²¹

The first great American entry point for marijuana, however, was New Orleans.²² During World War I, West Indian and South American sailors brought marijuana into the city, and they were joined by Mexicans who had recently slipped over the border.²³ Black and Creole jazz men found marijuana very appealing and consequently introduced it to Chicago on large scale as the jazz-fever spread north in mid 1920s.²⁴

Mezz Mezzrow, a white clarinetist sometimes referred to as the "Johnny Appleseed of Weed," travelled from Chicago to the East Coast, where he reputedly introduced marijuana to New York City.²⁵ By the end of the 1930s, it was estimated that there were 500 marijuana dealers in Harlem alone.²⁶

Harry J. Anslinger, appointed Commissioner of the Federal Bureau of

Narcotics in the late 1930s, depicted marijuana as a menace to society and a corrupter of youth and morals.²⁷ Largely as a result of Anslinger's efforts, Congress passed the Marijuana Tax Act in 1937, effectively outlawing the use of marijuana in the United States.²⁸

The Narcotic Control Act of 1959²⁹ provided severe penalties for use or possession of marijuana. Under this act, possession of any amount of marijuana brought a minimum sentence of 2 years for the first offense, five years for the second, and ten years for third and subsequent offenses. Conviction for sale of marijuana was punishable by a minimum sentence of five years for the first offense with ten years for second and subsequent offenses or any sale by an adult to a minor. Every state in the Union followed the federal lead, some providing even harsher penalties.³⁰

Not until passage of the Controlled Substances Act of 1970³¹ was simple possession of small amounts reduced to a misdemeanor.³² Mandatory minimum sentences were also abolished for all convicted offenders except large traffickers.³³ By this time, marijuana had come to be associated with the social upheavals of the sixties,³⁴ and its use had increased dramatically.

b. Modern Marijuana Use

Marijuana is today the most widely used illicit drug.³⁵ Marijuana use in the 1970s became no longer restricted to any particular group or class within the general population.³⁶

The United States marijuana market has grown substantially since 1970, when an estimated 650 tons satisfied the total American demand.³⁷ By 1977, the market had grown to 7,000 to 10,000 metric tons.³⁸ Today, Americans consume 220,462-397,713 pounds of marijuana daily, for an

annual total of 13,600 tons.³⁹ One source (Time Magazine) places the annual American consumption of marijuana at 23,725 tons, or 131,000 pounds per day.⁴⁰

The American marijuana market is supplied primarily by two foreign sources: Colombia⁴¹ and Mexico.⁴² In 1970, approximately 80% to 95% of the marijuana consumed in the United States came from Mexico. Presently, the estimates range from 70%⁴³ to 75%⁴⁴ to 90%⁴⁵ American supplies come from Colombia.⁴⁶ Colombia produces anywhere from 35,000 to 131,000 tons of marijuana annually.⁴⁷ It is estimated that 70,000 pounds of marijuana are smuggled daily into the United States from Colombia.⁴⁸

In recent years, then, Mexico's share of the American marijuana market has dropped to less than 20%.⁴⁹ Apart from Colombia's dominance in the market, Jamaica accounts for the balance of foreign marijuana supplies⁵⁰ although small amounts from Thailand⁵¹ and Africa⁵² are finding their way into the United States. California and Hawaii are the principal domestic producers, supplying between 5-10% of the American market.⁵³

One of the most striking illustrations of the dramatic increase in the marijuana trade is the size of present law enforcement seizures. In all of 1965, 5.1 tons of marijuana were seized by U.S. Customs.⁵⁴ In 1978, during just two days of hearings before the Select Committee on Narcotics Abuse and Control, U.S. law enforcement agencies seized 47.5 tons of marijuana in the Florida area alone.⁵⁵

At the street level, marijuana has cost between \$22.00⁵⁶ and \$60.00⁵⁷ an ounce, depending on the quality of the product. Presently the average street value is approximately \$50.00-60.00 an ounce, roughly

\$600.00 a pound.⁵⁸ The average consumer generally purchases marijuana in ounce quantities or less. "Lid" and "bag" are terms connoting a quantity of marijuana roughly equivalent to an ounce.⁵⁹ 75-100 marijuana cigaretts can be made from a lid or bag, depending on the size of the cigarette.⁶⁰ They are typically called "joints"; other slang terms for marijuana include: Acapulco gold, broccoli, bush, gage, grass, hay, hemp, J., Jane, Maryjane, mota, mutah, Panama red, pot, reefer, stock, tea, and weed.⁶¹

In 1968, Americans spent approximately one hundred million dollars on marijuana.⁶² In 1979, the National Narcotics Intelligence Consumer Committee (NNICC) estimated that the annual retail value of the marijuana trade ranged from 15.48-21.9 billion dollars.⁶³ A recent publication placed the figure as high as 24 billion dollars.⁶⁴

According to NNICC estimates, marijuana accounted for about 30% of all income from drug transactions in the United States in 1979.⁶⁵ The retail revenues generated from the sale of marijuana, however, fall below cocaine, making marijuana the number two revenue illicit drug.⁶⁶ As in the cocaine trade, marijuana trafficking has generated enormous profits throughout the distributive chain except for, perhaps, the peasant farmer. Of the price paid in the United States, it is estimated that the grower earns 1%, the middleman, usually Colombian, 19% and the American 80%.⁶⁷ Colombian marijuana prices along the chain (based on 1 lb. of marijuana) are as follows: Purchased from the farmer: \$6⁶⁸ -12⁶⁹ smuggled to beach or aircraft (\$80,000-\$160,000 a ton) \$40⁷⁰ -80;⁷¹ smuggled into the United States (\$230,000 a ton) \$115;⁷² wholesaled in minimum ½ ton lots (\$430,000-\$630,000 at ton) \$215-\$315⁷³; street value \$600.⁷⁴

4. Marijuana Trafficking

Although law enforcement officials fear⁷⁵ increasing participation of sophisticated criminal organizations in the marijuana traffic,⁷⁶ it remains remarkably open.⁷⁷ The bulk of the commercial smuggling ventures, which involve multi-ton quantities of marijuana, are in fact directed by well-organized traffickers in South America and the United States.⁷⁸ Nevertheless, independent operators are also heavily involved in marijuana smuggling from South America, particularly Colombia.⁷⁹ Organized criminal groups in Colombia purchase marijuana from local growers.⁸⁰ The organizations then stockpile large supplies in warehouses, usually located on the Guajira peninsula.⁸¹ From there, the marijuana is transported to the United States by large-scale criminal organizations, as well as small-time independent operators.⁸² Colombian organizations deliver multi-ton loads to organizations based in the U.S. Colombian freighters, called "motherships," hover outside the U.S. waters; the stateside organizations then shuttle smaller loads to locations in Florida.⁸³ Non-Colombian smuggling groups also purchase marijuana in Colombia, and then transport it to the United States by plane or by ship.

Up to 30% of the nation's marijuana flows into the country through Florida.⁸⁴ A large portion of it is brought in along Florida's West Coast between Key West and St. Petersburg.⁸⁵ Once in the United States, the typical distributive chain is as follows:

<u>LEVEL</u>	<u>QUANTITY PURCHASED</u> <u>FROM PREVIOUS LEVEL</u>
1. Main distributor	25,000-50,000 pounds ⁸⁶
2. Large distributors	1,000-10,000 pounds ⁸⁷

- | | |
|----------------------------|--------------------------------|
| 3. Middle-level wholesaler | 500-1,000 pounds ⁸⁸ |
| 4. Lower-level wholesaler | 100-500 pounds ⁸⁹ |
| 5. Upper-level dealers | 4-50 pounds ⁹⁰ |
| 6. Lower-level dealers | 1 ounce-4 pounds ⁹¹ |

From the main distributor level to the street, the evidence indicates that the involvement of criminal organizations steadily decreases. The roles from importer to distributor are the most profitable and most insulated from law enforcement activity. The average American consumer purchases from either an upper-level dealer or a lower-level dealer. Below the lower-level dealer stage, there are often even lower distributive levels dealing in amounts as small as a single marijuana cigarette.

a. Scope of Involvement

Individuals from all walks of life, including attorneys, college students, and businessmen are involved in the marijuana trade.⁹² Several factors explain this widespread involvement in marijuana trafficking. First, the enormous quantities of marijuana needed to supply the American market, roughly 30-50 tons daily,⁹³ require the participation of many people; from large-scale smuggling rings all the way to small time smugglers.⁹⁴ Because marijuana is so bulky compared to cocaine or heroin, no one group can control its flow into the United States. Second, the large and diverse number of American users necessarily requires a large and diverse distributive system. Third, marijuana is also more easily distributed among friends than a drug like heroin.⁹⁵ Since heroin networks require more syndicate help in distribution,⁹⁶ considerably less moral stigma is attached to the trafficking of marijuana than to other drugs, like heroin.⁹⁷ Finally,

since marijuana is relatively inexpensive \$50-\$60 an ounce vs. \$2,200 an ounce for cocaine, entrepreneurs are attracted to small time marijuana trafficking.

b. The Dealers

The number of marijuana dealers in the United States is impossible to determine. One New York City wholesaler estimated that there is at least one marijuana dealer for every block in New York and at least one wholesaler for every ten blocks.⁹⁸ Several years ago the government estimated that there were approximately 175,000 marijuana dealers in the United States.⁹⁹

The dealer may be a Puerto Rican child openly selling nickel bags, \$5 worth of marijuana, at a New York stoplight,¹⁰⁰ a doorman at a fine hotel,¹⁰¹ a cabdriver who sells to his riders,¹⁰² a high school or college student,¹⁰⁴ a lawyer, or a businessman. In short, there is no "typical" dealer. As one official testified, "Everybody is getting into the damn act."¹⁰⁵

The lower level dealer generally buys marijuana from an upper level dealer in pound quantities. A dealer who obtains a pound of marijuana for \$400.00 can show a profit of \$240.00 after selling the pound in \$40.00 one ounce quantities. Other level dealers may be only interested in supplying their own marijuana needs.

Besides channelling marijuana to a maximum number of consumers, the large number of dealers acts to insulate the higher levels of the distributive chain. Many lower level dealers cannot possibly know where their suppliers obtained their marijuana.

5. The Independents

a. The Smugglers

Colombia's daily marijuana flow to the United States, 27.7 metric tons,¹⁰⁷ demands widespread participation in smuggling activities. In fact, Colombian sources seem willing to sell to any individual or organization that displays the ability to move large quantities of marijuana, and according to DEA Administrator Peter B. Bensinger, "it isn't always a criminal syndicate."¹⁰⁸

Florida, the nation's primary entry point for marijuana, lies only 1,100 miles to the north of Colombia, within the range of most privately owned aircraft and pleasure boats.¹⁰⁹ Entrepreneurs engaged in smuggling marijuana from Colombia can also purchase surplus aircraft or ships from the United States government relatively cheaply.¹¹⁰ The C-54, a plane with a cruising range of 3,500 miles and a carrying capacity of 2.5 tons, can be purchased for as low as \$15,000.¹¹¹

In a matter of weeks, the independent operator can purchase a plane, establish contacts in Colombia, and bring a load to the United States.¹¹² Florida's 250 registered airports serve as convenient and unloading centers in the United States.¹¹³

Surplus ships¹¹⁸ and privately owned vessels¹¹⁴ are also used by independent operators to bring shipments of marijuana into the United States. For example, a Morgan 41-foot, two-mast sailboat can be purchased for \$50,000 new or \$25,000 used.¹¹⁵ After the boat is stripped for smuggling purposes, it can hold 3.5 tons of marijuana.¹¹⁶

Other boats are much more sophisticated. Costing as much as \$250,000¹¹⁷ and able to reach speeds of up to 70 mph, many of them¹¹⁸ --called "cigarette" boats after the tobacco-bootlegging vessels of the 1930s¹¹⁹ --are outfitted with radar scanners¹²⁰ and infra-red night vision scopes.¹²¹ The surplus ships carry tons of marijuana and rendezvous with

these small boats 50-60 miles off the Florida coast.¹²² The smaller boats then ferry the drugs ashore,¹²³ vanishing into the some 3000 miles of Florida coastline.

Once the marijuana has been successfully brought into the United States, one of three options is available to the independent smuggler.¹²⁴ First, he can sell his load directly to a main distributor for approximately \$115 per pound. Second, he can sell the marijuana to wholesalers from around the country at \$215-\$315 a pound if he has adequate storage facilities within the United States. Additional manpower will also be required to ensure the security of the marijuana supplies. Third, he can attempt to establish his own distributive system within the United States, although the independent smuggler rarely has the expertise or the resources available to successfully distribute below the wholesale level.

Smuggling marijuana from South America is an extremely lucrative enterprise.¹²⁵ An independent smuggler earns between \$80,000 and \$160,000 on each ton of marijuana sold to a main distributor in the United States. If the smuggler is able to wholesale the marijuana itself, his earnings will range between \$310,000-\$510,000 per ton. From these earnings, an independent can easily pay the expenses involved in transporting a load of marijuana from Colombia to the United States. More important, the profits can be put towards an even larger purchase in the future.

Smuggling marijuana from Mexico requires less of an initial investment, and is also very lucrative. In Grass Roots, Albert Goldman describes how easily an individual can establish himself as a successful smuggler:

Now suppose a kid buys a pound of high-quality weed for \$350.00. He breaks it down into sixteen ounces at \$45.00 an ounce. He clears \$350,000. If he can get himself ten pounds a month, in six months he's got \$20,000, enough to buy a seat in the game. Or suppose he gets a job running dope in cars from the Mexican border or Florida. He goes down to a ranch in Texas and picks up a rental car. He fills the trunk with 200 or 300 pounds of weed and drives it to Atlanta, Chicago or New York. At \$2,500 a run, doing two trips a month, in just four months he's got his \$20,000 stake. At this point he either starts buying in bigger quantities and getting other people to run for him or he takes a share in a smuggling operation....It scales up very steeply. 126

b. Distributors - Wholesalers

Another extremely lucrative area of the marijuana trade involves little actual smuggling. A properly financed independent organization possessing the necessary contacts to move large quantities of marijuana within the United States can show enormous profits acting as a main distributor.

According to Frederick Rody of the DEA's Miami Office, "you can negotiate for 10 tons of marijuana and they'll deliver it to you like Sears, Roebuck 12 miles outside the United States coast."¹²⁷ Once the main distributor brings the marijuana into the United States it is quickly sold to upper level wholesalers, thereby minimizing storage and security problems. Because the independent main distributor may oftentimes be competing with sophisticated criminal importing syndicates, this position in the marijuana network, though lucrative, can be very dangerous.

The independent upper level wholesaler obtains large quantities of marijuana, usually $\frac{1}{2}$ ton or more, from main distributors. The evidence indicates that independent wholesalers usually travel to the South

Florida area and drive the loads back to their respective areas. Once in the United States, marijuana is relatively easy to transport, although, because of its bulkiness, it is shipped primarily by motor vehicle rather than by plane.

The insignificance of commercial airline use for marijuana smuggling is reflected in Miami International Airport seizure statistics for the years 1975-1978:¹²⁸

<u>Marijuana Seizures (in pounds)</u>			
<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
10.0	3.1	1.8	1.0

Commercial airlines, insignificant in domestic marijuana distribution, are a key means of cocaine distribution. Three hundred pounds of cocaine pass out of Miami International Airport monthly.¹²⁹

The Black Tuna gang, one of the the best organized ever encountered by the DEA¹³⁰ was run by Robert Platshorn and Robert Meinster.¹³¹ The marijuana importing operation was conceived in 1974¹³² and in the next two years the organization brought 35 loads into the U.S.¹³³ Five hundred tons of marijuana, wholesaling at 300 million dollars, was smuggled in during this period.¹³⁴ The organization netted approximately \$500,000 a week.¹³⁵

A used car agency served as Meinster's and Platshorn's front.¹³⁶ The Black Tuna Gang employed 35-60 people,¹³⁷ and it used a fleet of ships and planes to bring marijuana into the United States.¹³⁸ Meinster and Platshorn hired former commercial pilots, who drew gaps in coastal radar networks.¹³⁹ In addition, false water lines were painted on the hulls of the boats so they would appear empty when full.¹⁴⁰ The Black

Tuna gang received supplies from Pedro Davila, a marijuana kingpin

in Santa Marta, Colombia.¹⁴¹ A box of diapers would be sent to Davila as a "go signal," indicating that "baby" was ready for "mother," i.e., the mothership.¹⁴² Although the Black Tuna gang obtained a great deal of its supplies from Colombian motherships, evidence indicates that the organization also brought loads directly from Colombia.¹⁴³

DEA and FBI agents broke the Black Tuna gang in 1977 in "Operation Banco."¹⁴⁴ Through an examination of 478,915 currency transaction reports, these agencies were able to trace large bank deposits to the Black Tuna organization.¹⁴⁵ Twelve defendants were charged in a one-hundred page indictment, and their trial lasted four months.¹⁴⁶ Related charges included indictments for jury bribery¹⁴⁷ and obstruction of justice, a plot to disrupt the trial and assassinate the judge.¹⁴⁸ A record of some 12,000 pages was compiled¹⁴⁹ that was accompanied by 3,000 pages of pleadings.¹⁵⁰ Heavy sentences were imposed on Platshorn (64 years) and Meinster (53 years) after a jury verdict, which was affirmed on appeal.¹⁵¹

Roger Alstair Williams Fry headed another multi-state, but independent, marijuana distribution ring in the early 1970s.¹⁵² Fry's organization included 24 other persons who functioned as middlemen, drivers, investors, and local distributors.¹⁵³ The evidence introduced at Fry's trial indicated that Fry obtained multi-ton shipments from Mexican sources and then repackaged the marijuana for distribution throughout the country in multi-hundred pound lots.¹⁵⁴ Shipments went to Michigan, Kansas, Colorado, Pennsylvania, and New England, all by car or truck.¹⁵⁵ Fry was associated with the Sicilia-Falcon organization.¹⁵⁶ The Fry organization illustrates an independent operation during the period when Mexico was the primary marijuana source.

Another similar independent organization was that of Peter Krutschewski, a Vietnam veteran who flew 1,100 combat missions, and was the most decorated pilot in the Vietnam War.¹⁵⁷ When he was unable to secure employment as a commercial pilot after the war,¹⁵⁸ he began smuggling marijuana by airplane from Mexico.¹⁵⁹ Thereafter, he organized and executed three smuggling operations by sea from Colombia and North Africa,¹⁶⁰ and participated as an investor in other smuggling ventures until he was convicted for a 27 ton importation scheme in Massachusetts in 1975.¹⁶¹ Krutschewski apparently earned between 1-1.5 million dollars from his smuggling operations.¹⁶² The Krutschewski case illustrates that the marijuana trade attracts individuals from all walks of life, is extremely profitable, even for a small-time operation, and is relatively easy to enter, even for a novice. The case also demonstrates the shift away from Mexico to Colombia as the primary marijuana source, with Africa being developed as a source on a small scale, as well as that some marijuana shipments enter the United States through the East Coast.

c. Other Roles

Not everyone, of course, possesses the expertise or desire to organize a smuggling, importing, or wholesaling ring. There are, however, other parts the average individual can play in the marijuana trade. "Mules," for example, are the individuals who are paid to smuggle small quantities of marijuana into the United States on their person or in their luggage. Since major marijuana smuggling organizations cannot move supplies effectively in this manner because of the bulk product, "mules" also include persons paid to drive loads of marijuana across the Mexican border. In a typical case, Jesus Apodaca,

a Mexican, was paid \$800.00 to drive a 1,370 pound load into the United States.¹⁶³ The mules involved in these sorts of activities rarely know the name of their employers. Apodaca, for example, was approached by "unknown men."¹⁶⁴ Accordingly, they play an essential insulating role. A pilot, unlike a driver, can earn approximately \$50,000-\$100,000 for a roundtrip flight from Colombia to Florida¹⁶⁵, each part of which takes about 6 to 7 hours.¹⁶⁶ The entire round-trip takes well under twenty four hours. "Ferry-men," the individuals who supply the equipment and manpower to shuttle marijuana from motherships into the United States, earn up to 10% of the cargo's value.¹⁶⁷ "Off loaders" are the individuals who unload marijuana from planes and ships in the United States; they can earn between \$10,000 and \$15,000 for a night's work.¹⁶⁸ "Growers," domestic farmers who harvest no more than 50 marijuana plants, can make up to \$25,00-50,000 a year.¹⁶⁹ "Financiers" are the so-called respectable professionals--doctors, lawyers, businessmen, and the like--who now act as financiers for many independent organizations.¹⁷⁰ The independent operators take the risk while financiers supply the money. Finally, "Professional Services Types" are the lawyers, bankers, real estate agents, brokers; like any business with a large cash flow, a marijuana trafficking organization requires legal and financial services.¹⁷¹ These people, too, make the traffic possible.

6. Organized Crime

Once largely confined to young Americans backpacking the drug across the Mexican border, marijuana smuggling now rivals the heroin trade in terms of organized crime involvement as large, sophisticated criminal organizations with the assets to purchase ocean-going

freighters and sophisticated electronic equipment become involved in large-scale marijuana smuggling.¹⁷² According to Senator Lawton Chiles, "We have to forget the image of marijuana as a couple of giggling teenagers behind the high school gymnasium smoking a joint. We are talking about cold-blooded killers, and organized crime, an international financial operation which floats billions of dollars from bank to bank around the world."¹⁷³

The evidence indicates, in short, that organized crime became involved in marijuana trafficking at least as early as the 1970s.¹⁷⁴ It was at this time that multi-ton marijuana seizures began to occur with increasing frequency.¹⁷⁵ According to Lewis A. Wilson, a special agent for the Florida Department of Law Enforcement, "These seizures were made up in the panhandle area of the state [Florida], which was the off-loading site, 7 tons in one instance, 20 tons in another. It was beyond belief to us at the time."¹⁷⁶

A number of factors account for organized crime's movement into the marijuana trafficking.¹⁷⁷ Only 5-10% of the marijuana entering the United States is, in fact, seized by law enforcement agencies.¹⁷⁸ Second, marijuana trafficking, as noted above, is extremely lucrative.¹⁷⁹ Third, when Colombia replaced Mexico as the primary marijuana supplier in the mid-1970s, organized criminal groups were in a position of being more able to control the flow of marijuana into the United States. Previously, the competition from travellers crossing the Mexican border was too intense.¹⁸⁰ How much traffic will become dominated--at any level--by organized crime remains an open question.

7. Mexico

a. Introduction

In 1964, testimony before the McClellan committee indicated that

the bulk of marijuana distributed in the United States was grown in Mexico.¹⁸¹ Today, Mexico supplies not more than 11%¹⁸² while 75% is supplied by Colombia.¹⁸³ Jamaican (7%) and domestic (7%) make up the rest.¹⁸⁴ Marijuana was once extensively cultivated as a cash crop largely in the Mexican states along the western coast--southern Sonora, Sinaloa, Jalisco, Mechoacan, and Guerrero and in Ramaulipas on the east coast along the Gulf of Mexico.¹⁸⁵ The Sierra Madra States of Chihuahua and Durango were also major marijuana producing areas.¹⁸⁶

As in the early 1970s, marijuana plots in Mexico are today normally 1/3-1/2 acre in size, and they are situated near forests to hide them from government aircraft surveillance.¹⁸⁷ Brokers buy from the farmers in Mexico and ship the marijuana down from the mountains by burro or truck.¹⁸⁸ The marijuana is then moved north by vegetable trucks, automobiles, boats, or planes.¹⁸⁹ Though some transporters, or mules, are Americans, most are Mexicans or Mexican-Americans hired for the job.¹⁹⁰

b. The Early 1970s

In the early 1970s, two general groups were responsible for bringing Mexican marijuana into the United States: Established Mexican and Mexican-American criminal organizations operated on both sides of the border,¹⁹¹ accounting for over 50% of U.S. supplies.¹⁹² And new American groups were formed in the late 1960s and early 1970s.¹⁹³

generally groups of 2 or 3 friends, comprised of young Americans in their early twenties, would carry out a one-shot expedition of a few kilograms to a hundred pounds or more,¹⁹⁴ or well-financed organizations would plan elaborate smuggling ventures utilizing aircraft and pleasure craft.¹⁹⁵

The rapidly rising demand for marijuana in the late 1960s and early 1970s attracted increasing numbers of these young Americans into smuggling.¹⁹⁶ A breakdown of those arrested at the Mexico border for marijuana smuggling violations in 1970 indicates, for example, that 95% of the smugglers were under 30, 75% were under 25, 20% were under 20.¹⁹⁷ In addition 42% of the marijuana came in lots over 4.4 pounds, large enough to be considered commercial.¹⁹⁸ Accordingly, the average American buyer with the proper connections and know-how could arrange a deal on the Mexican side of the border and bring the shipment in himself.¹⁹⁹ In 1970, one kilogram of marijuana could be purchased in Mexico for four dollars, and sold in the United States for up to 100 times that amount.²⁰⁰ One American smuggling group, formed by five young men at a Seattle rock concert, managed several successful shipments of 200-500 kilograms directly from Mexico before it was broken up.²⁰¹ By the middle 1970s the marijuana traffic from Mexico was becoming more systematic; the trend was toward more adventurous operations involving private planes and boats rather than automobiles and commercial transportation. In addition, Mexican criminal syndicates were becoming increasingly sophisticated in order to meet increased demand.

c. The Shift from Mexico to Colombia

Before the mid-1970s, the U.S. marijuana market was supplied almost exclusively from Mexico with some Jamaican shipments.²⁰² The shift to Colombia as the major source of marijuana was due to two factors: First, effective Mexican law enforcement efforts hurt the traffic, particularly by eradicating crops.²⁰³ Second, American marijuana users shied away from Mexican marijuana for fear that it had been contaminated

with the herbicide paraquat.²⁰⁴ In 1975, the Mexican government, in cooperation with the United States, undertook Operation Trizo, an eradication/interdiction campaign in 3 Mexican regions.²⁰⁵ The United States provided aircraft, and by 1978, the Mexican government had destroyed over 20,000 opium and marijuana fields.²⁰⁶ The Mexican government vigorously pursued the marijuana eradication program since marijuana was the country's primary drug problem: it also made effective use of the herbicide paraquat to destroy most of the opium and marijuana fields.²⁰⁷ Although Paraquat kills marijuana plants within 48 hours, since the plants can be harvested and shipped in that time,²⁰⁸ American users were concerned, about the risk of smoking contaminated marijuana. Therefore, marijuana traffickers began to look for alternate sources of supply. In addition, the eradication program had seriously disrupted the Mexican marijuana flow.

Accordingly, Colombia emerged as the principle supplier of the U.S. marijuana market in the period from 1976-1978. The NNICC report documents the dramatic shift from Mexico to Colombia Between 1977 and 1978:²⁰⁹

Quantities in metric tons:

	<u>1977</u>	<u>1978</u>	<u>Change (%)</u>
Colombia	5,540-8,460	7,000-10,500	approx. +26%
Mexico	3,960-6-040	2,400-3,900	approx. -40%
<hr/>			
Retail Value(in billions)			
Colombia	8.9-13.6	11.25-16.88	approx. +26%
Mexico	4.2-6.47	2.57-4.18	approx. -40%

The shift from Mexico to Colombia as the principal source of U.S. marijuana supplies may also be seen from other data. Since Florida has

been the primary entry point for Colombian marijuana, Florida law enforcement statistics reflect the increased importance of Colombia as a marijuana source. Marijuana seizures by Customs²¹⁰ at Port Miami, 1975-1978 were:

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
(thousands of lbs.)	20.3	117.2	759.5	840.5

marijuana seizures by the Florida Department of Law Enforcement in joint investigations also rose from 14.5 tons in 1976 to 328.8 tons in 1978.²¹¹ Decreased Mexican involvement in the marijuana trade is reflected in the following:

Mexican aliens arrested within the U.S. for a drug offense, 1976-1979.²¹²

<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>
1,283	774	507	411

d. Today

As noted, Mexico supplies less than 11% of the U.S. marijuana market.²¹³ 50% of Mexican marijuana is smuggled into the United States via aircraft. Pilots land at clandestine airstrips in the U.S. or drop the marijuana into deserted regions; smaller amounts come overland.²¹⁴

Today, as in the early 1970s most Mexican marijuana flows into the United States through California, Arizona, and Texas. Arizona is a particularly popular drug corridor because of its sparse population, its estimated 2,000 clandestine landing areas, and the well-established smuggling organizations on both sides of the border. Indeed, the available evidence indicates that Mexico and Central American may also be used increasingly to ship Colombian marijuana to the United States.²¹⁵ Law enforcement efforts in the Caribbean area have forced

traffickers to consider alternate routes to the United States.²¹⁶

Presumably, each organization was involved in the marijuana trade when Mexico was the primary source. Nevertheless, the extent of the La Nuestra Familia and Mexican Mafia involvement in the marijuana trade today is unclear. Other important groups include the Samaniego-Meraz Organization, headed by Manuel Samaniego-Meraz, and based in Agua Prieta, Mexico. Multi-ton quantities of marijuana are stored in warehouses along the Arizona border and then smuggled into the United States in tanker trucks. Members included Miguel Moreno and Ruffino Garcia-Hernandez.²¹⁷ Similarly, the Tercero-Lechuga organization, headed by Juan Antonio Tercero and his brother Ernesto of Phoenix, Arizona, is involved in the traffic. Authorities have identified 140 members. The organization has connections in Agua Prieta, Mexico, smuggling marijuana shipments of up to 1,500 pounds.²¹⁸ Finally, the Robles organization is headed by Reynaldo Robles and based in Tucson; it smuggles several tons of marijuana a month throughout the Southwest, with no less than twenty members, many of whom are Robles' relatives.²¹⁹

8. The Colombians

a. Introduction

Colombian involvement in the marijuana trade can only be understood in a historical context. After Fidel Castro came to power in 1959, thousands of Cuban nationals flooded into South Florida. These Cuban communities formed the matrix out of which sophisticated narcotics trafficking organizations arose and sought South American sources.²²⁰ Accordingly, Colombia became a major cocaine source in the late 1960s; although it sent, only small amounts of marijuana to the Cuban and American networks in Florida at that time. In the early to mid-1970s,

Colombian traffickers became directly involved in U.S. distribution, as effective Mexican law enforcement efforts and the paraquat scare caused traffickers to turn to Colombia for U.S. marijuana supplies.²²¹

Colombians are involved in marijuana trafficking in three ways besides growing the plant: First they sell to foreign purchasers in Colombia. Available evidence indicates that Colombian sources are willing to sell to any individual or organization that displays the ability to move large quantities of marijuana from Colombia to the United States. Second, they ship marijuana to the U.S. by sea. Colombians control the oceangoing vessels that transport large quantities of marijuana to the U.S.²²² The loads are generally delivered to Colombian, Cuban or American networks in the U.S. Third, they apparently directly distribute marijuana within the U.S. Since the market is so large, no one group can control distribution, but that is the Colombians least significant role. And, despite great Colombian involvement in the trade, the domestic distributors get 80% of the price that U.S. marijuana consumers pay while the Colombian middlemen receive only 19%, and the foreign grower 1%.²²³

Colombian soil²²⁴ and climate²²⁵ are ideal for marijuana cultivation. One growing season follows the other, maximizing crop output.²²⁶ The bulk of illicit cultivation is on the Guajira peninsula,²²⁷ where 100,000²²⁸ to 250,000²²⁹ acres are devoted to marijuana. Most of this illicit cultivation is carried on by farm families.²³¹ 10,000 Colombian farmers grow marijuana, and the marketing provides a livelihood for 50,000 other people.²³²

Organized Colombian criminal groups purchase marijuana from the Colombian farmer at \$6.00 to \$12.00 a pound.²³³ One acre of marijuana

yeilds approximately 250-350 pounds of marijuana. There is evidence that organized criminal goups are also involved in large scale marijuana growing. In 1977, for example, the world's largest marijuana plantation was uncovered on the Guajira peninsula.²³⁴ The plantation was 3,600 acres and a five million pound marijuana crop was two months away from harvest.²³⁵

B. Selling

After a Colombian organization obtains the necessary supplies, it will often smuggle the marijuana to large warehouses on the Guajira peninsula.²³⁶ There are at least nine airstrips in Colombia,²³⁷ where each has a warehouse containing 100,000-1,000,000 pounds of marijuana.²³⁸ Foreign purchasers involved in directly smuggling marijuana from Colombia to the United States are invariably American using aircraft as the mode of transport.²³⁹ A well-connected foreign buyer is typically taken to a warehouse where he will inspect the product before purchasing. After a deal is concluded, the Colombian supplier will select a time and place for the buyer to land in Colombia to pick up his load.²⁴⁰ Hundreds of clandestine airstrips have been bulldozed in the Guajira region.²⁵¹ "There are so many illegal airstrips we don't really count them", says a Colombian officer.²⁴²

At the appointed time and place, the Colombian supplier will have up to 50 armed Indians guarding the landing area.²⁴³ After the plane lands, the Indians load the marijuana bales (typically 2'x2', weighing 30 pounds),²⁴⁴ and refuel the plane.²⁴⁵ The fee for loading and refueling is cheap; a two-engine plane can land and load for \$1,200.²⁴⁶ The Colombia organizations that supply marijuana to foreign purchasers are probably more numerous than the organizations that are directly

involved in smuggling to the U.S. Overhead expenses are relatively minimal when an organization supplies groups that carry out the actual smuggling. There is evidence that some Colombian organization are in fact involved both in sales to foreign purchasers in Colombia as well as direct smuggling to the U.S.

An illustrative case is that of the Pedro Davila organization. As of late 1978, Pedro Davila operated one of the largest marijuana rings in Colombia.²⁴⁷ His father is the mayor of Santa Marta, Colombia and his uncle is the governor of the Guajira Department.²⁴⁸ Davila's customers from the U.S are able to land and load at the Simon Bolivar Airport.²⁴⁹ Davila hires military and police protection to ensure the safe exchange of marijuana and money.²⁵⁰ The police and army troops will stand by until the plane is airborne, safely on its way to the U.S.²⁵¹ In addition, it was apparently Davila's organization that sent motherships northward to supply the infamous Black Tuna gang.²⁵²

c. Shipping

Colombian criminal organizations control the shipping of marijuana to the United States.²⁵³ Although there is evidence that non-Colombian groups also smuggle marijuana to the United States by sea, the Colombians apparently handle the vast majority of multi-ton shipments. They purchase expensive oceangoing vessels to transport marijuana to the United States. Enormous profits permit the Colombian marijuana organizations the luxury of "throw away" oceangoing vessels.²⁵⁴ Four out of five loads could, in fact, be interdicted without destroying the profit.²⁵⁵ A hundred foot vessel can carry 50 tons of marijuana, while a four hundred foot vessel can carry a 100 ton load.²⁵⁶ Three primary sea routes exist from Colombia to the United States; the shortest is

through the windward passage, between Cuba and Haiti,²⁵⁷ another is through the Yucatan Channel, between Mexico and Cuba;²⁵⁸ when sailing either of these routes, smugglers will consciously avoid Cuba, a country known for its stiff drug penalties.²⁵⁹ Another popular route is through the Mona Passage, bordered by the Dominican Republic and Puerto Rico.²⁶⁰ From these three major routes, the smugglers can go into the Gulf of Mexico, the coast of Florida, or north along the East Coast.²⁶¹ Because of federal enforcement efforts in the Florida area,²⁶² marijuana traffickers have begun to alter their routes, expanding away from Florida north along the Atlantic Coast and west along the Gulf.²⁶³ In addition, a few motherships from Colombia go to the West Coast.²⁶⁴

Colombia vessels depart from the Guajira peninsula with loads up to 100 tons²⁶⁵ and then wait offshore the United States in international waters.²⁶⁶ The rendezvous points can vary from 20-200 miles from the American coast.²⁶⁷

Motherships from Colombia often fly a false flag, the most typical being the flags of Panama, Venezuela, or Colombia.²⁶⁸ American authorities cannot board foreign ships in international waters unless they can prove a violation of American law.²⁶⁹ In those situations where a ship is suspected of being involved in illegal activity, the country whose flag is being flown will usually grant the Coast Guard permission to board and investigate the vessel,²⁷⁰ but Colombia often denies the Coast Guard permission to board its vessels.²⁷¹

Colombian smugglers contract with important organizations within the United States to deliver specified quantities of marijuana.²⁷² These stateside organizations are primarily Cuban, American, and Colombian.²⁷³ These groups set up off-loading operations, requiring

purchasing or renting smaller ships to shuttle the marijuana to the mainland. Shrimp boats and speed-boats are ideal for off-loading operations, each of which is able to carry 1-2 tons of marijuana per trip.²⁷⁴ The marijuana is usually unloaded at a Florida home near the coast.

Traffickers are increasingly using the Bahamas and other islands for transshipment points to the United States.²⁷⁵ The Bahamas are a perfect staging area for refueling oceangoing vessels as well as plane, the Bahamian government is notoriously lax in its drug enforcement efforts.

d. Distribution

Although Colombian groups are involved in marijuana distribution within the United States, they in no way dominate the market. The volume of marijuana needed to supply the U.S market coupled with the bulkiness of the product makes it impossible for any group or nationality to control domestic distribution. Colombian dominance in the marijuana trade stops at the U.S. border.

There is evidence, however, of sophisticated Colombian networks within the United States. These networks operate alongside other criminal syndicates as well as independent groups to move marijuana to the American consumer. Colombian marijuana networks are particularly strong in cities with large Colombian populations, including Miami, Los Angeles, and New York.

e. Law Enforcement Response

Operation Grouper, a major interdepartmental law enforcement effort, illustrates the law enforcement response to Colombia's role in the marijuana trade.²⁷⁶ Operation Grouper began in 1979 when four

undercover DEA agents were introduced to various marijuana traffickers by an informant.²⁷⁷ The four agents established a marijuana off-loading service in the Bahamas; they were so efficient that they had to turn business away. The agents would inform the Coast Guard, Customs, and the DEA about marijuana vessels bound for the United States. Thirty vessels were seized as a result of this information.²⁷⁸ The vessels were seized by various agencies in a variety of ways so as not to attract suspicion. One shipment was even allowed to land in the U.S. and be loaded onto a truck. A female DEA agent then purposely collided her car into the truck; when the police arrived the truck was seized.

Within a year, the undercover agents had made middle to upper-level contacts with 14 trafficking organizations, which grew, harvested, and transported their own marijuana from the Guajira peninsula to Florida and other Gulf Coast states distribution throughout the United States. The 14 organizations had some members in common, but did not operate in concert.²⁷⁹

As a result of Operation Grouper, 1.2 million pounds of marijuana, 30 boats and ships, 2 airplanes, and 1 million dollars in cash were seized.²⁸⁰ Also, 174 individuals were indicted and 135 arrested²⁸¹ in Maine, New York, Georgia, Florida, Texas, and the Bahamas.²⁸² Peter Beninger, the DEA Administrator, asserted that the 14 organizations supplied 40% of the U.S. marijuana supplies and that these groups would be immobilized by Operation Grouper.²⁸³

Operation Grouper illustrates several points about Colombian involvement in the marijuana trade. First, Colombian organizations are involved in growing as well as smuggling marijuana. Second, Colombian motherships leave from the Guajira peninsula, often using the Bahamas as

a transshipment and off-loading point. Third, since several Cubans and Americans were arrested, Colombian organizations apparently frequently deliver large shipments to these groups. Fourth, Colombians deliver marijuana to Gulf Coast and East Coast states as well as to Florida. Fifth, the ease of the DEA agents' establishing a successful off-loading service suggests that Colombians rely on other groups to distribute marijuana within the U.S. If the Colombians had a vertical monopoly from marijuana plantation to the American user, the key off-loading position would have been staffed by Colombians. Sixth, despite the impressive arrest and seizure statistics, there is no indication that these organizations have been immobilized. Other individuals will merely step into new roles.

9. The Cubans

Cuban involvement in marijuana trafficking began in the early 1960s in South Florida. The available evidence indicates that the Cubans are primarily involved in domestic distribution, obtaining supplies from Colombian sources. South Florida is still feeling the violent reverberations of the Colombian movement into domestic cocaine distributions in which Colombian groups clashed with the Cuban criminal elements, who had traditionally controlled drug distribution in the South Florida area.

Henry Messick, investigative reporter and author, reports that allegedly a peace agreement has been signed between Cuban and Colombian organizations in South Florida.²⁸⁴ Cubans can still handle cocaine, but they must purchase supplies from the Colombians.²⁸⁵ The Colombians and the Anglos can still wholesale marijuana, but bringing it north will be largely controlled by Cubans.²⁸⁶

The Sicilia-Falcon Organization, illustrative of Cuban involvement in the traffick, is one of the largest marijuana trafficking organizations ever uncovered. It was headed by Alberto Sicilia-Falcon, a Cuban national. Sicilia was in charge of a worldwide drug cartel responsible for multi-tons of marijuana flowing daily from Mexico into the United States daily from Mexico in the early 1970's.²⁸⁷ The group distributed marijuana throughout the United States from its base in San Diego, California.²⁸⁸ By the spring of 1973, marijuana was being delivered by way of oil tanker trucks that carried three tons per load.²⁸⁹

Julio Bell-Guinart of Tijuana, Mexico supplied the Sicilia-Falcon organization.²⁹⁰ On June 23, 1974, the DEA seized tow tankers in San Deigo containing a total of 6 tons of marijuana.²⁹¹ Following this seizure, the Mexican Federal Judicial Police seized an additional 42 tons of marijuana in an underground cache.²⁹²

Alberto Sicilia-Falcon was arrested by Mexican police in 1975.²⁹³ By 1977, over 1,600 individuals had been identified as part of or associated with the Sicilia-Falcon conspiracy.²⁹⁴

10. La Cosa Nostra

La Cosa Nostra is no stranger to the marijuana trade. In 1938, Carlos Marcello, now the reputed New Orleans family boss, was sentenced to 10 months in an Atlanta penitentiary when federal agents broke up "the biggest marijuana ring in New Orleans history."²⁹⁵ Nevertheless, by the 1960s, there was little evidence of La Cosa Nostra involvement in marijuana trafficking.²⁹⁶ In 1968, federal agents in fact denied that LCN had moved into the marijuana trade, claiming that the profit was too little and the traffic too loosely structured.²⁹⁷ Mexico, the major

source of supply at that time, was easily accessible by any individual or group interested in purchasing marijuana. In addition, the competition from travellers crossing the border was too intense to make LCN efforts worthwhile. In 1969, Time speculated that one unforeseen consequence of a government crackdown on the marijuana trade would be an LCN monopoly.²⁹⁸ "If the independents are driven out, the mobsters might find it as profitable as heroin."²⁹⁹

Today, marijuana trafficking is in fact one of the most lucrative smuggling activities.³⁰⁰ Since the profits are so huge and the risks so low, LCN has entered the marijuana trade,³⁰¹ joining Colombia, Cuban and Mexican crime groups.³⁰² The shift from Mexico to Colombia as the major source of marijuana aided LCN by creating a more "controllable" flow into the United States.

LCN's presence in the South Florida area, where 30% of the nation's marijuana enters the United States,³⁰³ suggests involvement in the marijuana trade. At least 17 LCN families and 117 known LCN members are presently domiciled in Florida,³⁰⁴ where revenues from drug dealing run to six billion dollars annually.³⁰⁵ Since the traffic in the western part of the United States is still largely in the hands of independents and Mexican groups, it appears LCN involvement in the marijuana trade is centered in Florida,³⁰⁶ although there is evidence of LCN activity in the Northwest marijuana market.

As in the cocaine trade, LCN has penetrated the marijuana market in three different ways. First, LCN has acted in concert with Latin organizations, which have been actively involved in the marijuana trade since the early 1960s, mostly in the South Florida.³⁰⁷ Second, LCN groups have taken over existing marijuana distribution outfits in the

United States.³⁰⁸ LCN groups have also been tied to kidnappings of individuals associated with large-scale marijuana organizations that could afford the ransoms.³⁰⁹ Independent operators easily fall prey to LCN influence, while the more established Cuban and Colombian organizations are too powerful to dominate. In addition, LCN relies upon the Colombians for supplies. Third, LCN has bought its way into the market by purchasing large quantities of marijuana and driving out independents.³¹⁰

LCN involvement in the marijuana trade, moreover, appears more extensive than in the cocaine trade. Nevertheless, LCN groups are still just one element among the many organizations involved in marijuana trafficking. LCN has an advantage over other trafficking organizations, however, since it is the best organized criminal group in the United States, with 25 families and up to 50,000 confederates.³¹¹ An organization with established distribution networks like LCN can turn great profits in the marijuana trade.

Evidence indicates two-fold LCN involvement in the marijuana trade. First, LCN purchases multi-ton quantities of marijuana from Colombian groups, which smuggle the marijuana from South America on motherships. The Richard Cravero organization in Florida illustrates this type of LCN involvement.³¹² Second, LCN groups bring marijuana directly from Colombia, using ships and planes. Yet LCN groups have traditionally stuck to the importer/wholesaler roles in drug trafficking,³¹³ as these roles are the most profitable and the least risky. The Lucchese, Colombo, Bonanno and Genovese families have all been identified as participating in the marijuana trade.³¹⁴ Carmine Galante, for example, was believed to have pushed the Bonanno family heavily into drug

importation and distribution.³¹⁵ Since LCN groups are involved in various criminal enterprises, large sums of money are available to buy multi-ton quantities of marijuana.

Evidence of LCN involvement in the marijuana traffic includes the so-called "Mount Pocono Incident." On December 14, 1976, a DC-6 airplane landed at Mount Pocono Airport in Pennsylvania carrying eight tons of marijuana.³¹⁶ Customs agents, agents of the DEA and members of the Pennsylvania State Police³¹⁷ arrested 5 individuals and seized the marijuana, three motor vehicles, and various items of equipment including radios and police scanners.³¹⁸ The law enforcement squad allegedly captured the chief plane of the "pot airline," a transportation enterprise funded by LCN.³¹⁹ Carmine Galente, then the head of the Bonnano family, had reportedly financed the Mount Pocono smuggling venture for \$500,000, which included all expenses.³²⁰ The street value of the marijuana was estimated at 26 million dollars.

The Mount Pocono seizure illustrates three points about LCN involvement in the marijuana trade: First, LCN groups have established direct ties with traffickers in Colombia. Second, LCN groups have used large long-range planes to transport marijuana directly to the East Coast from Colombia. A DC-6 plane can haul marijuana directly to Southwest, Midwest, or Northeast points from South America.³²¹ Third, LCN groups have the resources and expertise to distribute large quantities of marijuana, thereby realizing great profits.

The Colombo family, now headed by John "Sonny" Franzese, began large scale marijuana smuggling from Latin American directly to New York City in the fall of 1978.³²² The Colombo organization began making significant buys of marijuana in 1977.³²³ Freighters were either bought

or chartered in Colombian ports.³²⁴ The Colombo groups' venture is believed to be the first time a major New York LCN Family had made an entry into shipping by sea.³²⁵ "It's Prohibition all over", said Ralph Salerno, a former New York City police lieutenant and an expert on organized crime.³²⁶ "The Colombo Family has good connections on the waterfront and [the marijuana trade] is something they can no longer resist."³²⁷

The Colombo family operation also illustrates three points about LCN involvement in the marijuana trade. First, LCN groups have engaged in marijuana smuggling directly from Colombia using oceangoing vessels. These ships can carry loads up to 100 tons, suggesting serious LCN involvement in marijuana trafficking. Second, LCN groups have shipped marijuana directly to East Coast areas, where distribution networks are strongest and the market for marijuana is great. When the Colombo family first entered the marijuana trade, for example, the mothership method was employed; the marijuana was shuttled into Florida and then shipped by truck to New York.³²⁸ The same mothership technique used in Florida operates off the New England coast.³²⁹ Six major marijuana smuggling rings have been identified in the New England area, all with ties to LCN groups.³³⁰ Third, the image of selling marijuana is not bad for LCN. According to Salerno, "You're not talking about hooking ghetto kids on heroin. Instead you're providing a commodity for college kids and the middle class."³³¹

11. Smuggling Patterns

In 1979, it was estimated that 60 percent of the U.S. marijuana supplies were smuggled in by sea, 35 percent by air, and 5 percent by land, with overland smuggling usually taking place across the Mexican

border.³³² The predominance of smuggling by sea is reflected in the U.S. Coast Guard's in 1978 seizing in 1978 53 percent of the marijuana seized by law enforcement.³³³ For the foreseeable future, too, Colombia will evidently remain pre-eminent in the marijuana trade, but apparently with a trend towards the greater use of air transportaion in smuggling³³⁴ as a result of two factors. First, there has been an increase in U.S. enforcement efforts in the Caribbean area; second, American involvement in direct smuggling from Colombia to the United States is increasing, and Americans are dominant in smuggling by air.³³⁵

The shifting patterns of smuggling are illustrated by the effect of "Operation Stopgap," a successful federal enforcment effort begun in December 1977 and concluded in April 1978.³³⁶ Over 40 ships and 2,150,000 pounds of marijuana were seized.³³⁷ In one 45 day period, the U.S. seized 900,000 pounds of marijuana, 33 vessels, 6 aircraft, and 18 land vehicles, and arrested 220 individuals.³³⁸ These large marijuana seizures began to affect marijuana trafficking patterns in several ways: First, traffickers started using larger planes, which were capable of carrying loads from Colombia to the Southwest, Midwest, or Northeast United States.³³⁹ This prompted Albert Goldman, author of Grass Roots, to remark, "The future of the dope game lies in the North or Midwest."³⁴⁰ The increased use of air routes in marijuana smuggling is reflected in the frequency of drug-related airplane crashes: one each day on the southern border of the United States,³⁴¹ most of which are due to fuel shortages, poorly lit airstrips, and pilots flying too low to avoid radar.³⁴² Second, traffickers began to alter their sea routes, moving away from Florida to the Gulf and East Coast states.³⁴³ In addition, a few motherships from Colombia began to go to the West Coast

of the United States.³⁴⁴ Third, there is also evidence that domestic production in Hawaii and California has increased,³⁴⁵ and, Thailand marijuana, called "Thai sticks," once again began to appear on the American market, for the first time since the end of Vietnam War.³⁴⁶

Smuggling to the Northeast has not only because of increased federal surveillance in the South, but also increased because of the large marijuana market on the East Coast.³⁴⁷ Long Island is a popular destination for smugglers because of its proximity to the New York market Maine, with its liberal drug laws and 300-mile coastline, is also a favorite of marijuana smugglers.³⁴⁹ From June 1978, to March 1979, 60 tons of marijuana were seized along the coast from New York to Maine.³⁵⁰ Previously, even small confiscations were rare.³⁵¹

From October to December 1980, 250 tons of marijuana were also seized in the New Orleans area, three times the entire amount for 1979.³⁵² Law officials attribute this to Coast Guard control in the Florida area.³⁵³

The second largest marijuana seizure in West Coast history occurred on September 11, 1980 in San Francisco,³⁵⁴ When 21 tons of Colombian marijuana valued at 40 million dollars and 2 yachts were seized.³⁵⁵ One of the yachts seized was the Potomac, the former yacht of President Franklin D. Roosevelt.³⁵⁶ Of those arrested; 6 were Colombian, and the other were Southern California residents.³⁵⁷ In addition to reflecting shifting transport routes, this seizure once again illustrates that Colombians are primarily growers and shippers rather than distributors within the United States.

New foreign sources are opening up, too. Many countries in Africa south of the Sahara are being developed as fruitful sources of future marijuana supplies.³⁵⁸ The Jamaican marijuana crop was virtually destroyed in 1974 by Operation Buccaneer, a joint U.S.-Jamaican effort.³⁵⁹ But operation Buccaneer was politically unpopular in Jamaica, and apparently marijuana smuggling resumed in 1977.³⁶⁰

12. Domestic Production

In 1979, Domestic production accounted for approximately 7% of the United States marijuana supply.³⁶¹ 1979 NNICC estimates placed domestic production at 700-1000 metric tons with a retail value of 1.1-1.6 billion dollars.³⁶² The growth in domestic productions has resulted from consumer concern about the contaminated marijuana from Mexico³⁶³ and the popularity of sinsemilla,³⁶⁴ a high grade marijuana in high demand by connoisseurs in the United States.³⁶⁵ Sinsemilla, which means "without seeds," can bring \$250 an ounce or more in Chicago or New York,³⁶⁶ over five times the average price of ordinary marijuana.

Initially, the domestic marijuana growers were primarily counterculture dropouts from the 1960s who planted marijuana for their own use.³⁶⁷ Later, a few began producing the plant to earn a living, and then commercial production began to spread.³⁶⁸ Recently, newcomers, including businessmen and lawyers, have begun to finance these operations, which are becoming increasingly sophisticated.

Marijuana is grown on a commercially significant scale in at least three states: California, Hawaii, and Oregon.³⁶⁹ California is the clear leader, with most of its 58 counties producing at least one

million dollars of marijuana annually.³⁷⁰ The six major marijuana producing counties in California are Mendocino, Humboldt, Del Norte, Lake, Riverside, and San Diego.³⁷¹

In 1978, 77-140 tons of marijuana, with a retail value of 186 million dollars, were grown in California, and marijuana revenues are having a major impact on local economies in many California counties.³⁷² After a raid on a Humboldt County farm in the fall of 1978, five million dollars worth of marijuana was seized.³⁷³ Domestic marijuana, widely used in California, is not yet being exported to other parts of the United States in significant amounts.³⁷⁴

Most farms are well-hidden in rural areas and some are patrolled by armed guards and are booby-trapped.³⁷⁵ Many farmers keep costs and risks down by planting others' lands, sometimes even on federal property.³⁷⁶ Forest regions provide both a suitable climate and camouflage; the marijuana can only be found by accident, at all.³⁷⁷ Marijuana is illegally cultivated in all 17 national forests in California and many forest areas of the Pacific Northwest.³⁷⁸ Marijuana is also cultivated in almost all of the national forests in the Southern states.³⁷⁹ One recent marijuana farm discovered in Bankhead National Forest in Alabama yielded 4 tons of marijuana with a street value of five million dollars.³⁸⁰

Hawaiian marijuana, also called "pakalolo,"³⁸¹ "Kona Gold," or "Puna Butter,"³⁸² is Hawaii's largest cash crop.³⁸³ Hawaiian marijuana is four to five times more expensive than Mexican or Colombian marijuana, ranging from \$800-\$2,500 a pound.³⁸⁴ Marijuana production in

Hawaii is known as a major cottage industry, worth between \$360-\$400 million annually.³⁸⁵

During 1971, 25 tons of marijuana were seized in Hawaii. Presently at least 25-40 tons are exported to the mainland annually,³⁸⁶ marijuana shipped by smugglers using commercial airlines,³⁸⁷ an unusual form of transport in the marijuana trade.

13. Law Enforcement Response

Stemming the South American marijuana flow is cited as a key objective of the DEA.³⁸⁸ Federal efforts to check this flow have resulted in several spectacular seizures, but have done little, in fact, to disrupt the flow; only 5-10% of the marijuana available in the United States is seized by law enforcement agencies.³⁸⁹ In contrast to cocaine smuggling, which is characterized by deliveries in small amounts, marijuana smuggling is marked by large volume shipments;³⁹⁰ ten ton marijuana seizures are almost commonplace.³⁹¹ U.S. intelligence sources conclude that even if four out of every five loads interdicted major smugglers would still make a profit.³⁹² In fact, marijuana traffickers are often better equipped than the DEA and other federal enforcement agencies.³⁹³ Traffickers employ sophisticated intelligence networks, high performance vessels and aircraft, and the latest communications equipment.³⁹⁴ Because these groups monitor the radio bands, DEA agents have to talk in code over their frequency.³⁹⁵ Compounding these law enforcement frustrations is that Colombian crewmen aboard ships interdicted at Coast Guard Stations cannot be prosecuted.³⁹⁶ Instead, they are flown back to Colombia at taxpayer expense.³⁹⁷

The number of marijuana arrests in the United States rose from 18,815 in 1965 to 391,000 in 1979.³⁹⁸ These arrests almost always mean probation for the defendants, which frustrates narcotics officers, clogs the court dockets, and costs the taxpayers millions of dollars.³⁹⁹ Over half the convicted marijuana traffickers never serve time at all.³⁰⁰ When they are convicted, the average sentence is 3 years, the maximum 5.⁴⁰¹

Indeed, there is little hope of a decrease in marijuana availability until the Colombian sources are attacked.⁴⁰² Paraquat spraying, which proved so successful in Mexico, is not an option since the Percy amendment to the International Security Assistance Act of 1978 provided that no U.S. assistance could be used for any program involving spraying marijuana with paraquat.⁴⁰³ That provision was enacted after questions were raised regarding possible health dangers of paraquat.⁴⁰⁴ President Cesar Trubay Ayala of Colombia disagrees with the policy behind the Percy amendment, wondering how the United States can be serious about drug control and not fund paraquat spraying.⁴⁰⁵ Critics of the Percy amendment claim that failure to use paraquat in Colombia has resulted in increased production, a lower price, and more marijuana availability.⁴⁰⁶ U.S. Ambassador to Colombia Diego Asencio, on the other hand, believes paraquat spraying would be difficult because of the strong wind currents and hills in the Guajira region, the center of marijuana cultivation.⁴⁰⁷ Instead Asencio favors increased interdiction efforts.⁴⁰⁸ A chemical called dLDM may provide a solution. dLDM is an ingredient that can be added to paraquat to warn marijuana users that

campaign. Initially, Turbay had a 12,000-man army brigade assigned to the Guajira peninsula, but later decided to replace the brigade with the CNPF.⁴²⁰ Ernesto Sampler Pizano, president of the National Association of Financial Institutions, a Bogota research center, feels that if the Colombian army was unable to disrupt significantly the Guajira peninsula marijuana traffic, no one will be able to.⁴²¹ Pizano claims the Army left because the commanders were demoralized by their lack of success and the corrupting power of the 110 million dollars worth of protection money annually distributed by the smugglers.⁴²² One army lieutenant, who seized two trucks with several tons of marijuana, was offered a cash bribe of \$100,000 on the spot.⁴²³

Pizano's research center claims the Guajira campaign has been disastrous for three reasons. First, it jeopardized 30,000 peasant families without providing a substitute crop.⁴²⁴ Second, by not providing a substitute, it perpetuated the clandestine economy.⁴²⁵ Third, the Colombian government tried to crack down on Colombian producers at the same time that several American states relaxed their marijuana laws.⁴²⁶ U.S. inaction on the marijuana issue, as exemplified by light marijuana sentences and the legality of marijuana paraphernalia, contributes, therefore, to the argument for Colombian legalization of marijuana.⁴²⁷ In short, the law enforcement picture is bleak.

E. Dangerous Drugs

1. Introduction

Dangerous drugs used in the United States fall into three general categories: 1) stimulants, 2) depressants and 3) hallucinogens. The consumption of these dangerous drugs is lower than the consumption of other types of drugs, but the gravity of the consequences of their use merit attention. Peter B. Bensinger observes: "Dangerous drugs are the type of illegal substances that I think have been buried under a rock."¹ Three times as many overdose deaths result from dangerous drugs than from heroin, and dangerous drugs cause more other types of injuries than heroin.² They are, in short, more destructive than heroin.

2. Technical Background

Stimulants are used legally to control obesity, to ease fatigue or depression, and to calm hyperkinetic children. They are sold over-the-counter or by prescription under the names of dexadrine, dexamyl, preludin, and methodrine.³ These legal amphetamines, or stimulants, can be used for their proper medical purpose in recommended dosages; they can also be abused. 13 million Americans are thought to have used stimulants such as amphetamines.⁴ "Stimulant abuse, as measured by deaths, injuries, treatment, admissions data, and other information, points to a long-range trend of increased stimulant use."⁵ Chronic use of stimulants can lead to tolerance and psychological dependence as well as more serious injuries or death.⁶

Barbiturates, or depressants, produce an effect opposite to that of stimulants. These drugs can calm nerves or slow vital signs--to the point of death. "20% of the drug deaths reported between May 1977 and April 1978 were barbiturate related."⁷

Hallucinogens, though hardly as much a part of our consciousness as they were a decade ago, are still on the market. The most widely used hallucinogenic drug is PCP, or "angel dust." "It has replaced LSD as the primary hallucinogenic choice."⁸ The drug is legally used as an animal tranquilizer.⁹ Nevertheless, the National Institute of Drug Abuse estimates that 6.9 million Americans have used PCP.¹⁰ PCP is popular among drug users because it is potent and readily available, can be taken as a heroin substitute, than other similarly mind-altering drugs; San Franciscans refer to PCP as "nouveau LSD."¹¹ As PCP is domestically produced, primarily in Washington, D.C., Detroit, and California,¹² it is less expensive than other drugs.¹³ In addition, drug officials consider PCP the "most potentially harmful commonly-used drug."¹⁴ In 1978, the drug was associated with 85 deaths.¹⁵ Several psychiatric hospitals also reported that from mid-1978 to mid-1979 one-fourth of their admissions were from people suffering from PCP psychosis.¹⁶ The drug makes users act "...bizarre,...; [it also] has unexpected, uncontrollable effects...and may result in paranoia, hostility, or violent and unpredictable behavior."¹⁷ When PCP is not available, most users take amphetamines or methamphetamines to produce a similar euphoria.¹⁸

LSD use is now second to PCP.¹⁹ The main ingredient of LSD is lysergic acid, which can not be legally purchased.²⁰ The drug is colorless, tasteless, and odorless; but one two-hundred and eighty-thousandth of an ounce is enough to cause its characteristic effects.²¹

In addition to the three common categories of dangerous drugs, Americans use or take Talavin and Dilaudid and inhale amyl and butyl nitrate, aerosol sprays, gasoline, and glue. Talavin and Dilaudid, "T's and Blues" in street talk, are tolerable heroin substitutes.²² Inhalants produce a variety of effects, and DEA officials are concerned about the effects inhalants can have when mixed with drugs or alcohol, as case studies indicate the combination can be fatal.²³

The price-per-dosage of dangerous drugs is not exorbitant.²⁴ Amphetamines and barbiturates costs betwen 10¢ and \$1.00 per dosage. LSD runs between \$1.00 and \$10.00, while PCP is less expensive. Peyote can cost as little as onr or fifty cents. The ingredients of illegally produced drugs are also comparatively inexpensive. The total cost of the components of methamphetamines, for example, is about \$250.00 per pound.²⁵ The apparatus used to heat and evaporate the ingredients and to obtain the final crystalized form is reusable.²⁶ The drug, when marketed, brings the producer as much as \$64,000 for five pounds.²⁷ The gross realized from the sale of dangerous drugs is staggering. In 1968 Americans spent about \$25 million on amphetamines and barbiturates.²⁸ By 1977, the retail value of imported and domestic dangerous drugs was between 9.3 billion and 13.9 billion dollars; by 1978, it was between 10 and 15 billion dollars.²⁹

3. Trafficking

Authorities recognize three main sources of dangerous drugs: 1) diversion, 2) illicit manufacture, and 3) smuggling. Diversion accounts for an estimated 25% while illicit manufacturing also accounts for about 25%. The remaining 50% is introduced into the United States by smugglers.³⁰

Most diversion occurs at the retail level.³¹ Only about 10-20% of domestic diversion occurs at the manufacturing and distributing level.³² The most common methods of retail diversion include pharmacy thefts, indiscriminate prescribing, forged prescriptions, and illicit sales of legal drugs.³³ Finally, diversion accounts for almost all of the illicit amphetamines and barbiturates on the market. "Diversions occur in all points in the chain [of legitimate drug distribution] from the manufacturers of the basic chemicals to delivery of the finished dosage forms to the customer."³⁴

Clandestine laboratories are an important source of dangerous drugs. The DEA reported a 700% increase in the number of illicit labs between 1975 and 1979.³⁵ In 1978, there were only 19 states in which no clandestine lab was seized.³⁶ The heaviest concentration of clandestine labs are apparently in Los Angeles, Detroit, Washington, D.C., and Texas.³⁷ The drug most commonly manufactured is methamphetamine, or speed³⁸ followed by PCP.³⁹

The rapid growth in the number of labs is probably due to the ease of obtaining the materials to set up a lab and the ingredients of the drugs, the few skills needed for manufacturing drugs, the low risks and the high profits.⁴⁰ The cost of setting up a lab, for example, is

hardly prohibitive. A PCP lab costs about \$1500,⁴¹ While a lab to produce speed costs about \$1000.⁴² In 1970, an operator could start a lab for \$200: \$125 for precursors, or ingredients and \$75 for lab equipment.⁴³ The formula for speed can be obtained from any library.⁴⁴ Since a \$400 pill-presser can produce 200 tablets per minute,⁴⁵ an LSD lab can produce 5,000,000 hits in 72 hours.⁴⁶ The labs are too often mobile; they can be assembled and disassembled in 24 to 40 hours,⁴⁷ making them almost undetectable. Other sites encountered include "apartments, single family homes, rented palatial estates, garages, barns, college dormitories, legitimate pharmaceutical manufacturing laboratories, campers, cabins, and motel rooms."⁴⁸ The only requirement for a lab is adequate ventilation and speedy dispersion of odors caused by the manufacturing process. The operators of the labs need no special skills, as the drugs are simple to produce.⁴⁹

In addition, dangerous drugs are often smuggled into the United States. Authorities estimate that 75% of the drugs smuggled in are transported by land, 10% by air, and 15% by boats.⁵⁰ Most dangerous drugs come either from Columbia or Mexico, and are channelled through Florida or the Southwest. In 1972, some officials reported that 80% of the dangerous drugs in the country arrived from Mexico,⁵¹ while others estimated that only 33% were of Mexican origin.⁵² Apparently, many of these drugs are licitly manufactured or produced, exported to Mexico, and then smuggled back into the U.S.⁵³ In the 1960s, Bates Laboratories, for example, unknowingly shipped 15,000,000 amphetamines to a fictitious Mexican firm names Distribuidora Farmaceutica; the drugs were smuggled back into the United States.⁵⁴ This process seems the principal method of dangerous drugs entering the illicit drug traffic in

California.⁵⁵ In 1972, the amount of amphetamines smuggled into the United States equalled the entire U.S. production.⁵⁰ In 1974, about three billion tablets of dangerous drugs supposedly came through Mexico; the retail value of these tablets was about \$1.6 billion.⁵⁷

Colombia is another big foreign producer of dangerous drugs. "Ninety percent of the nation's illicit quaaludes flow into the United States through Florida", most of which can ultimately be traced back to Colombia.⁵⁸ "Colombia's smuggling tradition makes it an ideal place to make quaaludes and cocaine."⁵⁹ Since the margin of profit on dangerous drugs is higher than on marijuana, the trade has proven lucrative.⁶⁰ In 1979, the Coast Guard seized 2,987,000 dosages of quaaludes, 61 probably only a fraction of the amount of quaaludes illegally imported from Colombia.⁶²

The ingredients to make quaaludes generally are also exported from Europe to Colombia. The components must then be mixed and pressed into pill form. Quaaludes can be bought for from eight to ten cents in Columbia. The profits realized generally are 30 times the initial investment.⁶³

Three groups of individuals seem responsible for distribution of dangerous drugs: 1) motorcycle gangs, 2) doctors and 3) La Cosa Nostra. "Motorcycle gangs...are known to be users and distributors of all forms of illicit drugs..."⁶⁴ The major motorcycle gangs are the Hell's Angels on the West Coast the Bandidos, in the Southwest, the Outlaws in the East and Canada, and the Pagans in the mid-Atlantic states. These groups have a "formal, recognized rank structure that delineates authority and privilege...and...are involved in criminal activities and drug trafficking."⁶⁵ The groups apparently seem to be involved in dangerous drugs, but not cocaine or marijuana.⁶⁶ Their development as

a major part of the trafficking scene is disturbing. As one congressional law enforcement witness put it:

...The outlaw motorcycle gangs that we wish to bring to justice have developed into a sophisticated criminal organization. They are, by every measurement standard available, organized crime groups, and fit every definition which has been advanced for such groups. Their activities represent a conspiracy and they use acts of violence or other acts to intimidate their enemies. They conduct their activities in a highly disciplined way, and foster an intricate organizational structure.⁶⁷

These motorcycle gangs are, therefore, a new breed of organized crime, and the trade in dangerous drugs is for them what bootlegging was for La Cosa Nostra during the 1920s. Authorities also hypothesize that these groups do not in fact produce the drugs, "but are on both ends of the supply network..."⁶⁸ They provide resources and chemicals and distribute the finished products. Motorcycle gangs are thought to control "nationwide...up to 50% of all illicit methamphetamine distribution."⁶⁹

The second source of dangerous drugs is doctors. "Each year 100 million prescriptions are written in the United States for tranquilizers, 28 million for barbiturates, 60 million for analgesics, and 14 million for amphetamines. Women receive twice as many prescriptions as men."⁷⁰ A review of physicians revealed that physicians are manipulated or fooled by patients, keep poor records, and often exceed the maximum duration of drug use recommended by manufacturers. ~~Pharmacists rarely check suspicious prescriptions; they~~ are frustrated by the lack of local enforcement and thus hesitate to report forged prescriptions.⁷¹

The third group involved in the dangerous drug problem is La Cosa Nostra. Sometimes there are hints of organized crime involvement, but

few figures have been caught playing any prominent role in the illegal dangerous drug market.⁷² John Finlator, head of the FDA's Drug Abuse Bureau, observed that a well-organized traffic in LSD was functioning and was associated with organized crime. Although little proof exist of traditional organized crime involvement in dangerous drugs, some families do appear to be cooperating with motorcycle gangs.⁷³

4. Law Enforcement Response

Major efforts to control dangerous drugs have focused on limiting the availability of precursors. Manufacturing firms must report sales of the primary ingredient of PCP.⁷⁴ Other controlled substances are similarly regulated. Professional and public awareness of the dangerous drug problem is increasing. The Convention on Psycholtropic Durgs is alert to the increase in dangerous drug use, while the DEA has developed a community action pharmacy theft prevention project,⁷⁵ and the Diversion Investigative Unit assists states with suppressing practitioner level diversion. Eighteen states were involved as of October 1979⁷⁶ After heroin, dangerous drugs are the DEA's highest priority.⁷⁷

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A. Introduction

1. The Colonial Period

In the United States, gambling--gaming, wagering, and lotteries--has its own special history. National attention was not first focused on it with the President's Crime Commission in 1967. Indeed, the nation has gone through a number of cycles in its love-hate relationship with gambling: various efforts to eliminate, control, or profit from it.¹ In the 17th and 18th centuries, gambling practices and public sentiments about them were broadly divided along geographical lines.

Residents of New England opposed gaming, eschewing it out of distaste for the perceived corrupt lifestyle of the English upper classes and a respect for the harsh necessities of pioneer society.² In 1633, an enactment of the Massachusetts Bay Colony struck at "time idely or unprofitably" spent.³ Thirteen years later, the Colony promulgated the first law in the new country directly attacking gambling.⁴ In the 1670s Massachusetts and Connecticut passed specific bans on cards, dice and lotteries.⁵ Contrary to popular belief, these laws were not wholly rooted in religious doctrine. Earthly necessities decided public policy; those distracted from work in the summer could not hope to survive in the winter.⁶ Gambling restrictions, therefore, reflected a view not just of religion, but of life, particularly the preferred relationship between labor and its fruits. Only after the Puritan Divines lost their political power did a biblical justification for anti-gambling legislation develop. For some, appeals to chance to obtain worldly goods were a form of blasphemy.⁷ Gradually, New England law was, however, transformed from the hand of the Lord punishing sin to an agent of the state maintaining public order.⁸ Accordingly, while

blasphemy laws passed from public view, restrictions on gambling remained, as they were rooted in a broader view of proper public policy.

New Amsterdam established an early reputation for social liberalism.⁹ When the Dutch surrendered the colony in 1664, the area that is now New York had already become a pocket of vice on the Eastern seaboard, offering a variety of amusements, including bull-baiting, cock fighting, and horse racing.¹⁰ Life was not viewed in stern and earnest terms.

In the Southern colonies, where many of the settlers rapidly acquired wealth, as in the Mother Country diversion through social wagering was deemed acceptable.¹¹ Following the lead of England, aristocratic Tidewater Virginia also regulated gambling to promote the public order, but more importantly, to preserve the stability and economic viability of a land-based economic system.¹² Securities and conveyances given to satisfy of gambling debts were voided, and provisions were enacted to recover losses and prohibit fraudulent play.¹³

2. The 19th Century

By the beginning of the 19th century, geographical distinctions were becoming obscured. The American population itself was constantly on the move, ever westward, and new waves of immigration brought new practices and attitudes to the new country. In the East, an anti-lottery sentiment arose in the mid-1800s, and a coalition of revivalists and Jacksonian Democrats fought the state-chartered lotteries in an effort to stop the exploitation of the poor, end corruption and privilege, and uphold the symbolic relationship between effort and profit in the young Republic.¹⁴ In the western mining and cattle towns, gambling was a

widely-practiced form of entertainment. Western saloons were generally combinations of casinos, theaters, and bars, representing a male-dominated lifestyle that lasted until the area developed farming communities.¹⁵

But it was in the towns along the Mississippi that the illegal gambling trade was its liveliest.¹⁶ The first large gambling casino was built in New Orleans by John Davis. While it catered only to the wealthy, lower class houses soon developed that were aptly described as "stinkholes of creation."¹⁷ Chicago, too, became a gambling center, having by the late 1840s more first class gambling houses and big-time gamblers than either Cincinnati or St. Louis.¹⁸ In the East, New York remained what it had always been. By 1850, it was estimated that there were approximately 6,000 gambling houses in the city,¹⁹ a figure hard to accept since that would have been one for every 85 residents.²⁰ Everywhere, gambling establishments were usually maintained by extensive systems of police and political corruption.²¹ Powerful machine politicians exploited the sentiments of the various segments of the population. Generally, rural areas, reflecting earlier views, were intolerant of gambling, while urban areas, characterized by a new mix of peoples and religion, were tolerant.²² The level of public tolerance toward all forms of gambling, however, peaked in the 19th century. Thereafter, anti-gambling and good government groups came together, and reforms were widely adopted. Race tracks, for example, were closed down. Indeed, by 1915, only seven states continued to allow the running of races.²³

3. The 20th Century

There is, as Mark Haller has called it, a "common assumption" in both scholarly literature and popular crime histories, that the

bootlegging syndicates of the 1920s originated "organized crime" in America.²⁴ Few public impressions are further from the hard facts.

Haller rightly observes:

The years from the 1880s to about 1905 may, indeed, have been the period when activities that are often called "organized crime" had their greatest impact upon American society. During this period gamblers, and vice entrepreneurs generally, exercised an influence on local politics and law enforcement that has seldom been equalled since that time. In many neighborhoods, it was not so much that gambling syndicates influenced local political organization; rather, gambling syndicates were the local political organizations, and had, in addition, a broad impact upon other aspects of urban life. In the cities of the East and Midwest, the Irish dominated gambling enterprises; they were also disproportionately involved in local politics and police. To some extent then, politics and gambling were tied together by common ethnic bonds, as well as common organizational structures. Gambling entrepreneurs were crucial in the promotion and financing of the professional sports that arose during that period, including horse racing, boxing and baseball... there was, furthermore, a close interrelationship between the extensive and informally approved red-light districts and the commercial nightlife entertainment of the cities. Long before national prohibition and the development of bootlegging then, there had already been close ties among gambling syndicates, vice activities, politics, sports and entertainment. (emphasis in original)²⁵

Nevertheless, Prohibition was a period of economic growth and diversification for organized crime, and it acted as a powerful catalyst for syndicated and streamlined gambling operations. The men who had cooperated with each other and amassed fortunes while the country was "dry" needed, after the Noble Experiment, a new field of enterprise. Those who ran gambling operations with considerable expertise took advantage of the capital and influence of ex-bootleggers.²⁶

All immigrant Europeans hungered for financial success. Italians were especially ripe for syndication most having emigrated during the 1880s. In 1920, they had been in the United States for a generation without realizing the "American Dream" of money and power through legitimate channels. In the 1920s, Italians had the poorest health of

any foreign group in New York. Infant mortality was double that of the rest of the city's population. The illiteracy rate was 60%--the highest of any foreign group. Recent immigrants tended already to be clannish and wary of outsiders.²⁷ Accordingly, a life free of crime held little promise of material success. Profits made during Prohibition whet long-unsatiated appetites for property and aroused a curious sort of ethnic pride. The men were predisposed to organize. Prohibition provided an excuse, and gambling sustained the organization after Prohibition.

In all cities where bootleggers or ex-bootleggers became involved in numbers or policy the mechanism was established through a partnership. The original partners or their associates continued as managers or partners. The bootleggers...often provided a variety of services in return for a share of the profits. These services included political protection, financial backing, regulation of competition, and legal representation in case of arrest.²⁸

Various forms of illicit gambling grew in popularity during the Depression and World War Two. During the Depression, massive numbers of unemployed hoped to escape their economic rut by hitting it big with the "numbers," as do many players today. The numbers game itself appeared during the Depression, when it largely replaced an older form of lottery called "policy."²⁹ Policy itself had originated as sideline bets taken by 18th century London lottery houses.³⁰ By the time of the Civil War, most state lotteries in this country, which were similar to "policy," had been outlawed, and policy began to develop on its own.³¹ In addition, it was one of the first forms of gambling to become syndicated. Apparently introduced to New York City by West Indian Blacks, numbers replaced policy in the 1920s in the eastern part of the

country.³² Numbers, too, was, until after World War II, largely under the control of Black operators.³³

When the century opened, horse racing had reached its peak of popularity.³⁴ Bookmakers operated openly at the tracks. In a fifteen year period, however, some 95 tracks on the national circuit had to close, chiefly because of anti-gambling crusades.³⁵ When racing made its comeback, chiefly during the Depression, it took the form of a combination of a track and state sanctioned system of parimutuel betting. The dominant role of the bookmaker at the track was ended.

Off track betting, on the other hand, continued to flourish at bars, barbershops, cigar stores and similar places.³⁶ The rapid spread of the telephone in the 1920s made possible complex systems of betting and rebetting called the "lay off," which permitted a bookmaker to off-set the bets he accepted with those bet elsewhere and lessen his risks of too heavy a loss. Along with Western Union facilities, the telephone made possible the communication of up-to-the minute race information. The advent of the so-called race wire services, however, also made the local bookmaker dependent on a product that lent itself to control by organized crime, and the Capone organization in Chicago gained a dominant role in the industry.

Following World War II, revelations by the Kefauver committee investigation in 1950 and the McClellan committee investigations in 1963-64 brought about administrative and legal reforms that substantially curtailed various forms of illegal gambling throughout the United States.³⁷ A series of Federal laws, for example, proved effective in largely eliminating illegal slot machines and closing down the few open cities--Newport, Kentucky--Hot Springs, Arkansas--

that had survived the state level reform that came on the heels of the Kefauver committee probe in 1950. Walk-in bookie joints, too, that had existed throughout the United States, disappeared. Accordingly, the principal forms of illegal gambling today are bookmaking, both off-track horse betting and sports wagering, numbers and to a lesser extent illegal casinos and gambling machines.

b. Scope

1. Gross Volume

It has been a common belief among law enforcement officials since the Kefauver committee investigation in 1950 that illicit gambling is the chief source of revenue for organized crime. In 1974, for example the U.S. Department of Justice prefaced a policy statement by observing:

It is the unanimous conclusion of the President, the Congress, and law enforcement officials that illegal organized gambling is the largest single source of revenue for organized crime...it provides the initial investment for narcotics trafficking, hijacking operations, prostitution rings, and loansharking schemes.³⁸

However true that conclusion may have been in 1950--and it appears it was--little evidence supports it today, for substantial changes have occurred in the gambling field in recent years as a result of law enforcement efforts as well as general social and political developments. Nevertheless, impressive figures are often bandied about when it comes time to estimate the volume of illegal gambling in the United States today.

Robert F. Kennedy, as Attorney General in 1963, testified that illegal gambling had an annual net volume of seven billion dollars.³⁹ Similarly, the Crime Commission called into operation by President Johnson in 1967 estimated the net of illicit gambling at six to seven billion dollars each year on a gross of upwards of 20 billion dollars.⁴⁰

Such estimates, however, must be placed in context. As Ralph Salerno observed:

If the [estimated] profits from gambling had been invested since the Kefauver investigation [1951-1968], so as to earn only 5% on the principal the sum would today be sufficient to purchase every single share of common stock in the ten largest corporate complexes in the United States.⁴¹

Contrasted in another fashion, in 1967 the United States spent about thirty billion dollars on the Vietnam War, and the total budget for foreign aid was about two billion dollars.⁴² In short, these estimates of the gross of illegal gambling seem incredible.

Nevertheless, the Justice Department in 1974 told the National Gambling Commission that it estimated the gross volume at between 29 and 39 billion dollars each year.⁴³ In 1976, the University of Michigan, however, performed a massive analytical study of gambling in the United States in 1976 for the Commission, and it estimated Americans wagered only five billion dollars illegally each year and that illegal operators realized only about one billion dollars as profit. Allowing for standard error, the researcher concluded that a gross volume greater than eight billion was unlikely, and a gross greater than ten billion was statistically impossible.⁴⁴ That the law enforcement community generally shares the traditional view was demonstrated, however, by a 1976 survey of police departments throughout the country, which found that 73% of policemen agree that "profits from gambling...are the main source of income for organized crime."⁴⁵

2. Relationship to Organized Crime

The popular myth of monopoly ownership of illegal gambling operations by Mafia-type organized crime figures is not supported by hard evidence. In fact, the extent of syndication of various forms of

gambling varies dramatically from form to form and place to place. As the Gambling Commission observed, there is, in short, "no uniformity of traditional organized crime control over illegal gambling throughout the country."⁴⁶ In some cities, such control exists, but it does not exist in others. "Even where organized crime is a factor, the extent of its involvement varies."⁴⁷

As of 1974, the Justice Department estimated regional control gambling by La Cosa Nostra as follows: Far West, 29%; Mid-west, 41.4%; Northeast, 53.2%; Southeast, 35.7%; and Southwest, 2%.⁴⁸ Accordingly, operations not associated with organized crime often are "purely local and may have no ties to any other criminal activity."⁴⁹ Indeed, the popular literature, too, is beginning to reflect the better opinion that a substantial, even major, share of gambling is controlled by persons only slightly, if at all, connected to organized crime.⁵⁰ In the past fifteen years, for example, a number of groups, composed of Blacks and Hispanics, have "wrested control...from the Mafia."⁵¹

On the other hand, it has never been necessary for organized crime to own the various gambling operations in order to take monopoly profits out of them. As long as monopoly control can be maintained over an essential service, that service can be the instrument through which organized crime extracts its monopoly share. Increasingly, it is being recognized that that service is loansharking. As the Pennsylvania Crime Commission observed in 1980, "Gamblers are an easy market for the illegal money lender."⁵² In fact, it may well be that loansharking is the chief way in which organized crime is a partner in the profits but not the losses of many gambling operations.⁵³

3. Relationships to Corruption

Writing in 1962, the Permanent Subcommittee on Investigations reported:

While local law enforcement officials and prosecutors are honest and dedicated in their efforts to stamp out organized crime, too often local criminal statutes are not vigorously enforced or prosecuted because a dishonest policeman or prosecutor is motivated solely by financial or political gain.⁵⁴

Senator Henry Jackson, a member of the Committee, put it more dramatically: "You and I know what the problem is. They buy off the judge, they buy off the prosecutor, they buy off the sheriff, and they buy off the law enforcement officers..."⁵⁵ Unlawful gambling, in short, cannot "operate on a large scale in a community without the cooperation of some segment of the governmental structure."⁵⁶

The type of gambling determines the level of necessary corruption. Numbers operations, which are visible and involve many people, have a difficult time surviving in the face of determined police efforts. Accordingly, numbers account for a high level of local corruption. "If you write \$1,000 worth of numbers per day," one elderly writer complained, "then the first 12 days of the month you work for the cops."⁵⁷ Other forms of gambling, which are less visible and have fewer players and employees occasion less corruption.

C. Types of Gambling and Participation

~~The five major types of illicit gambling in the United States today~~
are bookmaking, numbers games, lotteries, casino operations, and gambling machines.⁵⁸

1. Bookmaking

Bookmaking is by far the largest money maker of all forms of illegal gambling. Recent estimates by researchers working for the

Gambling Commission suggest that the take exceeds \$3.7 billion per year.⁵⁹ More than \$2.3 billion is bet on sports events, while the rest is bet on horses.⁶⁰ In a normal operation, the bookmaker handles this volume like a broker, accepting bets from various individuals; he seeks to take in more from his losing bettors than he must pay out to his winning bettors. Any balance in his favor is his brokerage fee.⁶¹ The scale of such bookmaking operations ranges from individuals who take bets in pool rooms to huge organizations headquartered in elaborate offices.⁶² The more successful bookmakers use middlemen to gather and record client's bets and to funnel them to the bookmaker himself. The middlemen, paid on a percentage basis, are not concerned with balancing the bets in the bookmaker's favor. The diverging objectives of the bookmaker and his middlemen may easily lead to friction.⁶³ Because bookmakers cannot count on their middlemen to help balance the bets in their favor, they often resort to the process known as "laying off" bets on other bookmakers. Smaller bookmakers avoid the risk of having more "winners" than "losers" by transferring some bets to large bookmakers, who use the smaller bookmaker's bets as part of their own balancing process.⁶⁴

In addition to soliciting, recording, and balancing bets, the bookmaker needs fast communications to operate his business. First, many bets are placed by telephone.⁶⁵ Second, bookmakers must have immediate access to changing odds and handicaps for sporting events and races.⁶⁶ Third, they must quickly learn the winners of those events, so that they can make fast collection and payoffs. Finally, bookmakers must find out the post time of races, so that they will not get "past posted," that is defrauded by bets placed after the winner of race is known.⁶⁷

Although not a necessary element of bookmaking, one of its secondary effects also deserves mention. Betting on sporting events may lead to "fixed" races and games.⁶⁸ Sports betting is primarily a habit of the affluent.⁶⁹ With huge stakes riding on some contests, it becomes worthwhile for a professional gambler to try to influence the outcome of events by bribing or interfering with the participants or officials. Accordingly, an apparently "victimless" pasttime may lead to collateral social problems.

2. Numbers

After bookmaking, the numbers game is the second largest money-maker in illegal gambling. Numbers, run mainly in Eastern and Midwestern cities, is a form of lottery that, because of its annual billion dollar take and method of operation, merits special attention.⁷⁰ Though variations of the game exist, the typical operation follows this scenario: First, the collector, who maintains close ties with the public,⁷¹ accepts a wager⁷² from the bettor. Unlike the normal lottery bettor, however, the numbers player chooses his own three-digit number between 000 and 999, writes it on a slip, and gives it to the collector. In large operations, a "pick-up man" takes the slips and money from the collector to an area "controller" responsible for several collectors. The controller may make preliminary tabulations before he forwards the day's receipts to the "bank," the central office of the numbers operation.⁷³ The winning number, drawn daily, may be used on a variety of numerical occurrences, ranging from stock market sales to parimutuel totals.⁷⁴ The odds against winning on a three-digit numbers game are 1,000 to one. The average payoff, however, is only 55-1.⁷⁵ If there are excessive bets on certain numbers, banks, like bookmakers, will lay-off bets on other gambling operators.

An important characteristic of numbers games is the large volume of records which must be kept. To maintain a smooth flow of business, numbers operators must record all bets, collections due, and winnings payable.⁷⁷ These extensive records may be almost as useful to law enforcement officials as they are to the gamblers themselves.

3. Lotteries

Lottery schemes are similar to numbers operations, but handle only about \$200 million a year and net \$50 million.⁷⁸ Most of the illegal wagers on lotteries are made on the Irish Sweepstakes and other foreign schemes.⁷⁹ In most lotteries, the operator or his agent sells the bettor a printed ticket, usually displaying a number, which entitles the bettor to win a prize if by chance the number is drawn.⁸⁰ Many variations on this theme also constitute a lottery, but three essential elements must be present: consideration, chance, and a prize.⁸¹

Bingo, for example, is a form of lottery. The player gives consideration for his card and wins by chance if the appropriate number or letter/number combination is drawn.⁸² The use of punchboards and punchcards also constitutes lottery schemes. The operator sells the bettor a chance to pick a hole in a board containing a slip of paper or to punch out a cardboard disc in a card. If the player is lucky enough to pick the correct hole or disc he wins a prize.⁸³ Hence, these games also include the elements of a lottery, although they are not as prevalent as the Irish Sweepstakes and other widely played lotteries.

4. Casinos

Illegal casino operations handle about \$110 million annually.⁸⁴ Beyond estimates of the handle and take, little can be calculated about the extent of the illegal casino industry. Casinos range in size from dingy backrooms to plush clubs, although since the late 1950s the plush

club has nearly vanished; they often operate in conjunction with food, liquor, and entertainment enterprises.⁸⁵ Legal casinos derive half of their revenues from craps and dice games, another quarter from blackjack, and the last quarter from roulette, slot machines, baccarat, and side games such as poker.⁸⁶ Illegal casinos, on the other hand, usually offer only floating crap and blackjack games.⁸⁷ Casinos frequently offer gambling devices (e.g. slot machines) as well.

5. Gambling Machines

Gambling machines today come in a myriad of forms, but the classic ("one arm bandit") slot machine is still the mainstay of the business. Gambling machines, other than those used in casino operations, have been estimated to provide an illegal net profit of about \$70 million from a handle of about \$400 million per year.⁸⁸ Though such devices are illegal in most parts of the country, they apparently are tolerated in a few localities.

The traditional slot machine, paying off on a certain percentage of occasions, often retains as much as 50 percent of its handle.⁸⁹ To evade the prohibitions of certain detailed laws, gamblers have developed many variations of the "one-armed bandit." For example, some machines have human operators who the players pay to throw the switch; the machine itself does not operate by coin.⁹⁰ Gamblers have also developed pinball machines with "free game" counters and reset buttons so that ~~players can redeem free games for cash.~~⁹¹ In addition, to avoid prohibitions against operating mechanical devices, some gamblers have engineered electronic gambling devices with no moving parts.⁹²

6. Participation

Ultimately, gambling operations succeed only because so many

Americans patronize them. Researchers for the Gambling Commission concluded:

Only among people over 65, people with incomes under \$5,000, the widowed, those that did not graduate high school, and members of Bible-oriented fundamentalist sects does gambling participation fall below 50% and there is substantial overlap among these groups.⁹³

Among those who gamble, specific factors correlate with a high level of gambling. Current and childhood exposure to gambling and the availability of legal or illegal facilities are the factors that consistently distinguish gamblers and non-gamblers.⁹⁴ Catholic and Jews gamble more than members of other religious groups.⁹⁶ Four-fifths of Northeasterners report some gambling activity, while only two-fifths of Southerners do.⁹⁷ There also seems to be a positive relationship between past and present geographic mobility.⁹⁸ In addition, those with past or present military affiliations tend to gamble more. Those predisposed to gamble compulsively also tend to marry more often, spend more money on recreation and vacations, venture a greater proportion of total family income on gambling, and sustain losses eight to fifteen times as great a proportion of their income as members of the general population.⁹⁹ On personality tests gamblers display a greater propensity to take risks and "...appear to desire more stimulation in their lives in terms of leisure-time activities than do non-gamblers."¹⁰⁰ Less than 50% of those with no religious preference gamble--a lower percentage than in any religious.¹⁰¹

Barring personal and demographic variations or differences in the amount of activity, most Americans patronize some type of gambling operation. Researchers for the Gambling Commission projected that in 1974:

61% of adult Americans place some kind of bet for money. Of these less than 13% confined their gambling exclusively to bets with friends. The rest, some 69 million Americans, ventured an average of 387 billion on commercial gambling, which included 8 legally available games (horse racing, casinos, bingo, state lotteries, dog races, jai alai, and off track betting), and four games available only illegally (numbers, sports cards, and betting on horses or sports with a bookie).¹⁰²

Significantly, however, only 11% of adults in the United States participated in a form of an illegal game.¹⁰³

The two principal illegal games, numbers and sports betting, have a clearly distinguishable clientele. The typical numbers player lives in the Northeast, where 8% of the adult population play the numbers, as compared with 3% of the adult population elsewhere. He is likely to be non-white; either Black or Spanish speaking. Italians, too, are well-represented among number players. The amount a numbers player bets tends to increase proportional to his income, until the income of \$15,000, at which point it levels off or decreases. Virtually all numbers players live within 25 miles of the nation's 25 largest cities.¹⁰⁴

The typical customer of illegal bookies, who handle primarily sports bets, lives in a Northeastern or North central state, holds a college degree or has some college education, earns more than \$10,000 per year, and is a white male between the ages of 18 and 44.¹⁰⁵ Similarly, sports cards afford the economically less-advantaged a chance to speculate on sports events.

Many people gamble, but a small number of bettors annually wager a large proportion of the dollar volume bet. Only 14% of bettors surveyed by the researchers for the Gambling Commission in 1976 wagered more than \$200; one-half of bettors wagered less than \$50.¹⁰⁶ Action-filled games show higher average wagers per bettor, from \$448 per person at casinos

and \$590 per person on legal and illegal horses to \$623 per bettor with illegal sports books. In contrast, participants in less active games, including lotteries, bingo, and numbers, venture considerably smaller amounts, \$25, \$74 and \$123 respectively.^{107]}

Usually, gamblers frequent both legal and illegal operations; people who participate in commercially available legal games are also more likely to gamble illegally, and illegal gamblers are, in fact, the heaviest bettors on legal games and with friends. Almost no one uses illegal channels exclusively.¹⁰⁸ The determinative factor in whether a gambler will play an illegal game apparently is its structure and psychological characteristics, for games "with similar structures and psychological characteristics appear...complementary..."¹⁰⁹ Examples include state sanctioned lotteries and numbers, betting at a racetrack or legal off-track betting parlor, illegal betting with a bookie, and patronage of both legal and illegal casinos.

Each gambler rationalizes his gambling differently; he may consider gambling harmless and recreational; he may find the excitement satisfies psychological needs; or he may feel a "win" constitutes his only chance of brightening a bleak financial horizon. Light bettors and some sport bettors often fall into the first category. Individuals with high needs for risk and stimulation fall into the second. These bettors commonly patronize games with a high degree of social interaction and excitement; ~~they generally prefer games of skill to games of chance; and their~~ psychological needs seemingly parallel the needs of heavy investors in the stock or commodities markets. They also, apparently, resort to commercial games because legitimate investments are economically prohibitive or inaccessible. Finally, some gamblers evidently see a win as their only vehicle out of a depressed and desperate financial rut.

James F. Guyoy, professor of political science at City University of New York's Baruch College, put it well:

It's a kind of escape...when life is so tough that there's no chance of making money by working, gambling seems to offer the only chance of winning big. As people see things closing in and their resources disappearing, they say, "I'll take a chance on making a killing."¹¹⁰

D. Case Studies

A better insight into gambling in the United States today can be gathered from the pages of newspapers and other sources in several areas of the country than from reviewing more scientific studies of gambling. What follows is a brief sample of several newspaper articles in one city and two states in the Northeast--New York, Connecticut and Pennsylvania, one state in the Midwest--Michigan--one state in the Southwest--Oklahoma--and and three special cases--Florida, New Jersey and Nevada.

1. New York City

The City of New York supports varying degrees of most types of legal and illegal gambling, including bookmaking, numbers, and illicit casinos. The state legalized off-track betting in 1971, and it now licenses off-track betting parlors, which resemble the traditional walk-in bookmaking operations. The most extensive operations are in New York City. In 1971, state officials predicted that "in five years the [OTB] corporation would provide at least \$100 million per year in revenues...and forecast that it would throttle illegal bookmakers."¹¹¹ Unfortunately, the predictions have not come true. The New York Times reported in 1979 that:

neither goal [was] in sight. Bookmaking is still flourishing, even openly on the streets

near OTB parlors, mainly because illegal operators generally pay 9% more on illegal bets than OTB does. Moreover, the most money OTB has raised for the city was 58.2 million in the 1976-1977 fiscal year...OTB's handle, or total bets wagered [subsequently]...fell by 13.8 million and its contribution to the city dropped to 58.7 million--the lowest in 4 years.¹¹²

Numbers remain popular in New York City's slum areas, particularly among Blacks and Puerto Ricans. Salerno reported in 1969 that the "highest per capita incidence of numbers gambling in New York...[was] found in Harlem and the Bedford Stuyvesant section of Brooklyn, both ghetto slums..."¹¹³ While in 1970 Donald Jansen of the New York Times hypothesized that today most bookies and numbers operators work independent of organized crime, resembling "struggling, small-time businessmen"¹¹⁴ earlier reports indicated that major organized crime figures were, in fact, implicated in gambling operations. For example, in 1975 the New York Times reported that:

James Napoli Sr., long identified as a leading underworld figure, and eight confederates were convicted yesterday of operating a \$35 million a year policy and horse race gambling operation--reportedly the largest in the nation.¹¹⁵

In May of 1975, the New York Times also reported that "18 persons were arrested... in what police said was a \$50 million a year gambling operation controlled by the Vito Genovese family."¹¹⁶ Such incidents may be isolated, or run against current trends in illegal operations, but they indicate that the present role of known organized criminals cannot be wholly dismissed.

Illegal casinos also crop up in New York City. "A spokesman for Gamblers Anonymous estimated [in 1980] that there were more than 50

illegal casinos in the city."¹¹⁷ Some club operators put the number even higher.¹¹⁸ In the last two or three years legislators in New York have considered legalizing casino gambling in the state--employing the "if you can't beat them join them" logic common in such debates. Opposition to legalization rests on fears about the social and economic costs to localities, concern about organized crime, and doubts concerning how much revenue gambling would produce for the state. To date, the opposition has prevailed.

✓ 2. Connections^{cut}

Connecticut's legal gambling enterprises include a greyhound racetrack, jai alai frontons, OTB parlors with live telecasts of racing from New York, and lotteries. While \$650 million is bet on state supervised games annually, Austin McGuigan, state's attorney, estimated that \$800 million was bet in the illegal rackets in 1978.¹¹⁹ Law enforcement agencies cannot trace illicit funds well, but evidence exists that organized crime collects at least part of that \$800 million, and probably a portion of the "legal" \$650 million too. The New York Times reported:

A Florida syndicate of professional large-scale bettors invaded Connecticut's frontons in the last few years, wagered millions of dollars, dominated several trifecta pools and walked off with the lion's share of big winnings after receiving inside information and special privileges from the frontons.¹²⁰

~~Such schemes intimate affiliations with organized crime.~~

The primary concern among law enforcement officials in Connecticut, however, is that organized crime launders profits realized in other illegal enterprises by large-scale betting. Members of the Gaming Commission share the:

strong suspicion that large amounts of illegally

gained money are being brought into Connecticut to be laundered, that is, to be wagered, where no questions are asked, and collected in some part as legitimate winnings.¹²¹

If the underworld and owners of gaming establishments are somehow connected, even the gambling losses would be recovered as legitimate corporate profits.

Connecticut, too, maintains a lottery. A study recently commissioned by the state recommended its abolition, concluding, "the lottery imposes a regressive tax which affects mainly the poor without the hoped for reduction in illegal numbers."¹²² As Austin McGuigan also observed; "Legal gambling isn't hurting illegal gambling at all. The states could compete for the illegal market only if they increased the payout and didn't try to make so much money."¹²³ To date, no action has been taken on either recommendation.

3. Pennsylvania

Apparently, the illegal gambling industry is growing in Pennsylvania. For example, the New York Times in 1976 reported that numbers and sports bet banks "[had]...relocated from Trenton [New Jersey] to Bucks County [Pennsylvania] including one in Falls Twp. that [was] producing more than \$1 million per year."¹²⁴ This development may have resulted from increasingly vigilant officials and tighter regulation in New Jersey, and the initiation of a state-run lottery in Pennsylvania. The Morning Call of December 5, 1980 stated:

Through lax enforcement and unclear guidelines the State Department of Revenue, which runs the lottery, has become a powerful, if unwitting, partner in the scores of bookmakers who rake in an estimated \$500 million in untaxed income through their illegal betting operations in Pennsylvania each year.¹²⁵

State run lotteries can, in fact, facilitate illegal numbers operations

by whetting the public appetite for gambling on other illegal games as well as the state sanctioned lottery. Often, too, numbers operations use the state's three-digit lottery winning number as their daily winner, taking advantage of its media coverage and its credibility, but giving a higher winning percentage payoff. Higher payoffs to the gambler on an illegal game are possible because the illegal operator has comparatively low administrative costs and pays no taxes. Illegal games are also more attractive to the winner because he can easily not declare his winnings as taxable income.

4. Michigan

Michigan, with large industrial cities like Detroit and Flint, evidences problems with numbers and policy games common to all states with its characteristics. In addition, racetracks have proven troublesome and riddled with hidden interests of organized crime figures. Detroit's police commissioner offered in 1973:

the statement...that..[a] classic example of Mafia infiltration of legitimate business is the Hazel Park Racing Association, Inc. This state licensed monopoly operation makes approximately \$1 billion a year. Much of this is available to further Mafia power in the Detroit area.¹²⁶

In addition to profits directly accruing to organized crime, law enforcement officials voiced concern about the employment of persons of "...questionable character and reputation..." and contractors and sub-contractors with "...highly questionable relationships and connections with syndicate operations."¹²⁷ As of the late 1960s, the Detroit syndicate was "...running the races at the Hazel Park at a profit, and ...reaping the gains from illegal off-track betting."¹²⁸ The Detroit picture thus illustrates the possibility of organized

crime's control of a legal gambling operation and attendant legitimate business.

5. Oklahoma

In 1975, the Oklahoma City Times ran an extensive expose of gambling in Oklahoma City.¹²⁹ Oklahoma City was, it reported, a prime candidate for syndicate infiltration of existing small-time gambling operations. "Mobsters begin eyeing such fresh turf when they receive increasing pressure from law enforcement authorities, such as the special Justice Department Strike Forces in the larger cities."¹³⁰ There were other things to attract organized crime to the city. One bookmaker estimated that "95% of the people in Oklahoma don't care about gambling."¹³¹ Public apathy allows gambling operations to germinate with little interference. By the time the public and law enforcement agencies acknowledge the problem and become more vigilant, gambling operations can be organized and sophisticated. The gambling operations in Oklahoma are now lucrative enough, the paper reported, to merit organized crime's attention; according to the paper, experts estimated that the operations had become "a business topping \$60 million annually."¹³² Nevertheless, while independent operators flourished, they were not extensively organized. The biggest operator pulled in about \$1.7 million monthly in 1975.¹³³ Yet, threat operator, Leroy Dale Hines, moved to Las Vegas late in 1975, leaving a relatively open and vulnerable market.¹³⁴

The Oklahoma City Times reported that laws in Oklahoma pertaining to gambling were lax, and sentencing was lenient. Betting on horse races was a misdemeanor, and betting and making book on sports contests was legal. As Jack Taylor, a Times investigative reporter, observed, "...a tax lien is about the worst fallout an Oklahoma bookie can

expect..."¹³⁵

Tighter laws, however, may only partially solve the problem; to control organized crime, new statutes must be accompanied by enforcement commitment. Using severe penalties only to kill visible, small-scale, independent operations actually encourages the growth of organized crime. As one bookmaker complained, "If any money is behind current efforts to tighten Oklahoma laws it is coming from La Cosa Nostra because the mob would like to see stiff laws drive out the independents so the syndicate could move in."¹³⁶

6. Florida

In 1974, a grand jury was empanelled in Florida to study gambling. Its final report found.

The jury finds that there is widespread illegal gambling of a multi-county nature in Florida which handles millions of dollars a year in wagers. Many of these illegal activities are run by or closely affiliated with known organized crime figures...from New York or New Jersey. The jury found gambling of an organized nature to be largely concentrated in Southern Florida; however, testimony in other parts of the state revealed ties between illegal activities in these areas and organized gambling figures in Southern Florida. Additionally, the jury found widespread illegal gambling of a local nature, some of which crossed county lines. The jury found localized gambling flourishes because of public apathy, low priority of law enforcement and lifetime friendships between known gamblers and public officials.¹³⁷

Legal racetracks in Florida are, in fact, the site of extensive on-track bookmaking, as well as legitimate operations. The on-track bookie operates beside track personnel, but caters to the heavier bettor.¹³⁸ The on-track bookie enjoys a position superior to legitimate operators and off-track bookies; he affords his customers credit; he cannot be intercepted with wiretaps as he does not use the telephone;

and he is immediately aware of changing odds and race results. Bets placed with him do not change track odds--an advantage for the heavy bettor, whose large wager might bring the odds down to even money at the window.¹³⁹ In addition, the on-track bookie can use the legitimate betting window as a lay-off connection. Law enforcement officials cannot, or do not, adequately investigate and police the tracks. In 1978, four men were assigned to police over 5,000 races per day throughout the state.¹⁴⁰ Laws used to convict bookies were weak; until recently, bookmaking was only a misdemeanor. Presently, bookmaking is a felony off the track, but remains a misdemeanor on the track.¹⁴¹ Ineffectual laws and low fines therefore present a morale problem for police, reflect the ambivalent public attitude, and hardly deter bookmakers.

The revenues from illegal on-track bookmaking in Florida probably exceed the handle of the track.¹⁴² Bookies take bets on "each and every race...sporting events and anything else that is going on in the country that normal bookmakers handle...."¹⁴³ In short, on-track betting in Florida is a "multi-million dollar operation."¹⁴⁴

Two significant problems accompany such on-track betting; loss of legitimate revenue and corruption. On-track bookies cater to heavy bettors, so both the state and the track lose considerable revenue. The state grand jury found a conspiracy that "allow[ed] the on-track bookmaker to flourish," observing that "many persons deny, overlook and/or ignore a pattern of illicit operations which is readily apparent to a knowledgeable observer."¹⁴⁵

The character of the bookmaking rings, too, raised substantial suspicions of organized crime involvement. Officials indicated, "Bookmaking rings investigated over the last years have seem[ed] very

complex and well-organized with national connections. This vast geographical diversity has served to insulate persons at the top of the organization."¹⁴⁶ Organized crime's apparent involvement touched other aspects of the track operations. On-track bookmakers appeared to be involved in fixing horse races, "which is prevalent at a number of Florida's tracks..."¹⁴⁷

Florida's law enforcement officials have generally resisted legalization of casinos. They have argued that currently there were substantial limitations on law enforcement and doubted their ability to police another type of gambling operation. Major Steven Bertucelli of the Dade County Police Department, in testimony before the Senate Committee on Special Investigations, cited law enforcement's lack of expertise in dealing with infiltration of legitimate business, tracing cash flow and adjusting to a totally new area of police work. He predicted that casinos would probably take "5 years to understand and..by that time the infiltration would be so great that [law enforcement] would have difficulty"¹⁴⁸ meeting its challenge.

According to Marjor Bertucelli, law enforcement officials in Florida have also misdirected their attention in the past, making numerous arrests for statistical purposes when responding to the gambling problem at all, giving the impression of conscientious police efforts, but avoiding more demanding investigation of organized crime and syndication.¹⁴⁹ While the police have infiltrated some tracks, placed bets, and gathered valuable information against some on-track operations, little has been done to get at the foundation of the organized crime hierarchy in the state.

Gambling in Florida has posed similar problems. Insufficient resources limit efforts to nail top organized crime figures, laws on

gambling allow judges to impose only low sentences and penalties, and judges are not over-eager to punish known gambling offenders. Dade County judges, for example, dismissed most of the 1,368 indictments made by the first state-wide grand jury.¹⁵⁰ The attorney general approached the 3rd District Court requesting that the court overturn this "wholesale" dismissal; he was not successful. The resistance of county judges to efforts to control illegal gambling exists despite findings by law enforcement agencies that:

...monitored 1.6 million in wagers during court authorized wire intercepts...[A] conservative projection for a year's gross handle for these particular bookmakers would amount to approximately \$44 billion. This applies only to the bookmakers who were subject to law enforcement investigation in Dade County.¹⁵¹

7. Nevada

Nevada is more dependent on legitimate gambling as a source of revenue than any other state--gaming taxes alone produce about 45 percent of the state general fund revenue, gaming is the single largest industry, and it employs approximately one-third of the work force.¹⁵² Legalized casino gambling graduated from the experimental stage in Nevada years ago: restriction of the industry today would sabotage the state's economics. Despite protestations of good intentions to keep organized crime out, the syndicate has maintained interests in several Las Vegas gambling operations.

Members of organized crime have repeatedly been shown to be able to obtain a part of the casino industry's profits through hiding ownership or the control of skimming operations. Meyer Lansky was indicted (but never tried) in the early 1970s for skimming \$13 million from the Flamingo hotel in Las Vegas, the money was never recovered.¹⁵³ Samuel Cohen, with Morris Landsberg, pled guilty to tax evasion and interstate

gambling charges arising out of the same multi-million dollar skimming operation.¹⁵⁴ In 1979, six men were indicted by a Federal grand jury in connection with a skimming operation alleged to have been owned secretly by New Jersey mobsters.¹⁵⁵ The indictment charged members of the Jolly Trolley casino of stealing money and sending it to the secret owners.¹⁵⁶

While the Gambling Commission concluded that recent years had seen organized crime's influence in the casino industry "significantly reduced,"¹⁵⁷ covert ownership allegations still surface. In 1966, the Chicago Sun Times reported that Caesar's Palace was partially owned by Jerry Catena, a protege of the late Longy Zwillman of New Jersey, Vincent Alo, boss of the Bronx, Ray Patiarca, New England boss, former moneyman behind the Flamingo Hotel in Las Vegas, Chicago's Tony Accardo, and Sam Giancana, as well as others; the take on skimming totalled \$6 million in one year.¹⁵⁸ Anthony Giordano, the St. Louis La Cosa Nostra boss, was indicted and convicted in a case involving hidden interests in the Frontier Hotel and Casino in 1966 and 1967.¹⁵⁹ One of Las Vegas' major casino owners, Allen Glick, borrowed almost \$150 million from the Teamsters Pension Fund to finance his investments. Law enforcement officials believe his good credit resulted from a hidden alliance with members of organized crime.¹⁶⁰ The Aladdin Hotel and Casino was sold in 1979 to avoid a sell or be closed order after a Federal grand jury in Detroit found it was infested with secret underworld interests.¹⁶¹

Several celebrities, including Frank Sinatra, have allegedly fronted for organized crime figures as casino investors.¹⁶²

8. New Jersey

In 1974, a referendum in New Jersey defeated, by a three to two margin, a proposal for state-wide casino gambling.¹⁶³ The major objection was mob control. Two years later, a proposal limited to

Atlantic City was adopted.¹⁶⁴ Governor Byrne observed on signing the statute that the experiment would be successful "if we can keep undesirable elements out of the city."¹⁶⁵ Organized crime," he said, "is not welcome in Atlantic City."¹⁶⁶ On January 30, 1978, the New York Times disclosed that "organized crime has been planning an Atlantic City takeover for at least the past seven years, was instrumental in pushing through the..legislation;...and already has a tight grip on both the casino front and gambling's more lucrative sidelines..."¹⁶⁷ Michael Siarage, executive director of the New Jersey State Committee on Investigations, observes, "A classic pattern of organized crime infiltration of legitimate businesses in Atlantic City has begun."¹⁶⁸

A casino control commission authorizes and inspects casinos in Atlantic City. Recent New York Times articles suggest that the commission--and its membership--may have been, at least initially, inefficient, ineffectual and corrupted, instead of the watchdog the legislators had apparently hoped for. The commission's former chairman, Joseph Lordi, claimed, for example, that he was "unaware that his law firm, where he was a full partner, represented the Catena family, because most of the firm's work is done by his brother, James."¹⁶⁹ In fact, the entire commission membership (excepting Mr. Lordi) subsequently lost its jobs following an FBI inquiry into political corruption.¹⁷⁰

~~In addition, the commission has apparently not always detected~~ organized crime affiliates who invest, bet or work in the city. A Canadian TV documentary broadcast reported "millions of dollars of underworld money being funnelled through Toronto into real estate investments in Atlantic City."¹⁷¹ An investigation later covered in the New York Times verified those allegations: a Toronto real estate

developer, who Canadian and United States officials believe to be linked with organized crime, had invested \$4.75 billion in real estate. He claimed he had an inside line on available properties because an "Atlantic City police detective who had access to organized crime files met and helped him."¹⁷²

Individual casinos also evidence affiliations with organized crime. Resorts International operated under a special temporary license, obtained before it had been completely investigated, for nine months.¹⁷³ Later, Resort's management was charged with "associating with underworld figures, bribing politicians in the Bahamas, and committing other transgressions..."¹⁷⁵ The casino was connected with Meyer Lansky, described in the New York Times as "the most dangerous underworld figure involved in organized gambling today."¹⁷⁶ In 1978, the president of Resorts admitted that two of Carlo Gambino's relatives were guests of the casino, had stayed free in the gambling hotel, enjoyed other gratuities and lost "substantial" amounts of money.¹⁷⁷ Yet Resorts received its permanent license.

Operators of other Atlantic City casinos have been similarly challenged. Of the five casinos initially approved in Atlantic City, four have been granted a permanent license with substantial reservations or not at all, because of organized crime affiliations.¹⁷⁸

Caesar's World, another Atlantic City casino, allegedly accepted loans from Alvin Malnick to cover building expenses. The casino's own counsel claims to have advised company managers to check with the Justice Department on reports Malnick was affiliated with organized crime, specifically with Samuel Cohen and Meyer Lansky.¹⁷⁹ The casino's managers neglected to investigate, although "Cohen and Lansky were then under indictment for income tax evasion growing out of charges that they

and others had skimmed \$13 million from the Flamingo Hotel in Las Vegas."¹⁸⁰

Independent of influence gained as creditors of the casino, Malnick and Cohen netted about \$600,000 annually in interest. When the president of the corporation controlling Caesar's was asked by Assistant Attorney General Michael Cole if this bothered anyone, he replied,

...we were not worried about anything except whether we felt a move was good for the company. If it is a good deal for the company and me, the fact that the other side makes a profit doesn't matter.¹⁸¹

In addition, he stated Caesar's was:

...trying very actively to sever the organized crime connections but was not obliged to commit financial suicide to do so.¹⁸²

Caesar's was granted a temporary license by the commission, under which the corporation realized gross earnings of over \$239 million.¹⁸³ Affiliations with organized crime were not brought out publicly until the commission considered giving Caesar's a permanent operating license. Even if a permanent license is denied, a corporation can choose a conservator, seek commission approval of the conservator, and then continue to operate. The conservator can run the casino indefinitely and pay the owners a reasonable rate of return.

E. Law Enforcement Response

1. Attitudes and Practices

Apparently, the police and the public share an ambivalent attitude toward gambling. Police enforcement efforts tend to follow citizen complaints, and both citizens and police generally consider gambling a public nuisance, not necessarily a problem in itself.¹⁸⁴ Joseph Veydova, of the New York Police Department, summed it up: "Gambling is

not high priority. Today street crime is our priority."¹⁸⁵ If police concentrate on gambling at all, usually they focus on visible, social, street, and neighborhood games. Even if police arrest a substantial number of gamblers, the arrests seldom make more than good statistics, for too often police value quantity over quality.

Police resist gambling assignments. More serious crimes absorb their attentions, convictions and high sentences seldom follow indictment, and police recognize their own vulnerability to corruption.¹⁸⁶ Generally, no one is assigned to gambling full-time. If an officer works for a time only in gambling, he is usually switched to other divisions to avoid corruption. This policy limits expertise. No officer considers gambling his specialty. Less than 1 percent of the manpower in police departments (and a comparable percentage of prosecutorial and court time) is now allocated to enforce anti-gambling laws.¹⁸⁷ With other pressing responsibilities, law enforcement finds gambling violations easy to overlook.

Law enforcement officials do, however, recognize the role of organized crime in gambling. If gambling laws are enforced, officers and chiefs of police rate "fighting organized crime" as the most important reason for enforcing them.¹⁸⁸ Nevertheless, organized crime members and leaders at the top of hierarchy are out of the reach of the cop on his beat and inaccessible through a nabbed numbers player or small-time operator. Realizing the objective of "fighting organized crime" is, therefore, unlikely to happen with current priorities and practices.

The public also places low priority on illegal gambling, as compared to other more threatening crimes.¹⁸⁹ Citizens want gambling operations that constitute a public nuisance to be eliminated and expect

police to respond to complaints, but remain largely unconcerned about backstage involvement of organized crime. Often, they do not associate the neighborhood numbers dealer or a friendly bookie with organized crime at all. Journalistic exposes or a major raid may trigger public vigilance, but generally low-profit gambling operations remain "out-of-mind" as well as "out-of-sight."

The public may lose respect for law enforcement as unenforced laws remain on the books. In 1967, following the Newark, New Jersey riot, former Governor Hughes appointed an investigative committee to look into the riot's causes. The committee reported that a major contributing factor was the Black Community's loss of confidence in the police, based largely on police corruption and lenience in enforcing gambling laws.¹⁹⁰

Another survey, and the attitudes it revealed, illustrates two possible constitutional objections to laws against public social gambling, which are only sporadically enforced.

First, to the extent which the criteria for making arrests for public gambling include an actual or potential disturbance there is necessarily considerable discretion involved in enforcement. Second..blacks..apparently gamble more often in public places. Because laws against social gambling are more easily enforced in public than in private the enforcement of laws against social gambling... are discriminatory in effect though not in intent.¹⁹¹

The Commission on the Review of the National Policy Toward Gambling observed that:

Although blacks account for only about 11% of the total population of the United States they accounted for 72.8% of the gambling arrests in 1974....Visibility rather than race is the basis for these arrests. Black participation in the public social gambling (i.e. card games or dice games) and numbers writing is high compared to the participation of whites.¹⁹²

One could argue that inconsistent enforcement of public social gambling laws violates due process and civil rights. This dilemma led the Gambling Commission to recommend that the laws against private social gambling be removed from the books and that law enforcement agencies focus on the banking for and connections of illegal operations rather than hassling highly visible gamblers and operators.¹⁹³ Such a policy would redirect attention to the root of the gambling problem, avoid discriminatory practices, and help to restore confidence in law enforcement.

Laws pertaining to gambling appear to be generally adequate. Failure to contain illegal gambling results from inadequate or misdirected enforcement and investigation efforts. Almost all state laws prohibit gambling in public, and the majority prohibit gambling in private, both commercial and social. Most states have syndicated gambling statutes. The general intent of the laws is to differentiate between casual social gambling among individuals and syndicated gambling operations and to provide severe penalties for persons involved in the latter. In addition, states that operate some form of gambling games may have laws designed to protect the credibility of the industry. State governments regulate the ownership, employment and patronage of the casino industry. Similar legislation applies to lotteries, jai alai, racetracks, and off-track betting. Yet, such preventive legislation is only as good as the quality of its enforcement, which, at least in Nevada, has not been the best.¹⁹⁵

Three types of Federal laws against gambling exist.¹⁹⁵ First, the government prohibits interstate transportation of gambling equipment and paraphernalia, and illegal use of communication facilities. Second, the government uses tax laws as a vehicle in prosecuting gambling offenders.

Operators are required to pay occupational and stamp taxes and failure to pay constitutes a tax offense. In addition, if expenditures obviously exceed gross income declared, it may constitute grounds for further investigation and may substantiate charges of tax evasion. Third, the Organized Crime Control Act of 1970 makes illegal gambling a substantive offense, so long as the operation is of sufficient size, takes in a certain volume of wagers, operates for a long period, or operates in violation of state law. The Act gives the Federal government jurisdiction over gambling operations

...which involve five or more persons in the conduct, financing, directing, managing or ownership of a gambling business doing a gross volume of \$2,000.00 per day or which operates continually over a 30 day period and which is in violation of the law in the state where it occurs.¹⁹⁶

Previous to the Act, Federal authorities relied on tax laws and laws against interstate commerce in prosecuting gamblers. The thrust of the Act has been to make it a Federal offense to conduct a gambling business in violation of state law. Federal authorities can use their own resources and personnel to investigate and indict and then refer to a state statute to convict known gambling offenders in Federal court.

With other supplementary legislation, these laws, though well-drafted and technically adequate, have only a little deterrent value. Operators of illegal gambling and those illicitly involved in the legal gambling industry, do not always take law enforcement seriously. Illegal operations are often ignored, and if a defendant is convicted on a gambling related charge, he usually faces little threat of confinement and a relatively small fine, "one common measure for the appropriateness of a fine is whether or not the fine significantly reduces the profit a person is realizing illegally, [yet]...the typical

gambling fine amounts to only a day or two of illegal profits.¹⁹⁷

Organized crime figures easily disregard light fines or cover them for subordinates.

Major organized crime figures and serious gambling offenders generally are not sentenced to jail. If they do serve a term in prison, it is usually short in light of their operation and offense. Nicholas Civella, a Kansas City syndicate leader, was sentenced to 42 months, the longest term for a Federal gambling conviction ever given in the district.¹⁹⁸ In 1977, James V. Napoli, who headed a policy ring grossing an estimated \$50,000,000 annually was sentenced to only five years and fined only \$20,000; Louis A. Khoury, a leader of the Detroit syndicate numbers operation, was sentenced to only 18 months and fined only \$10,000; Samuel Ebare, a leading Syracuse, New York bookmaker, received his first jail term of one year and one day.¹⁹⁹ Similarly, the New York Times reported that twenty members of the Gambino organization "were involved in 39 cases, most of which concerned gambling, from 1969-79." There were convictions in 15 of the cases, but the defendants, some with long criminal records, received no jail sentences. The penalty was usually a fine.²⁰⁰ And early release for good behavior may make a short sentence even shorter. If gambling in the U.S. is declining or if organized crime is finding other pursuits, the trend apparently does not result from strict law enforcement and deterrent penalties, but from diminishing returns and greener pastures.

The courts prescribe lenient treatment of gambling offenses for a number of reasons. Some judges and juries simply believe gambling offenses are not serious. A gambling report to Mayor Koch in New York suggested that "courts do not impose the maximum because if they did the defendants would not accept plea bargains and would demand trials."²⁰¹

Long dockets and lack of resources may cause courts to deprecate gambling offenses. Presentence reports may not be presented, requested or well-prepared, and judges may be unaware of a defendant's organized crime affiliations and the need for more conscientious sentencing. The Commission on the Review of the National Policy Toward Gambling recommended:

an increased use of pre-sentence reports in gambling cases. The sentence should take into account both the prior record of the offender and any evidence... that concerns organized crime activities...Where..the offender is a major gambling figure and is involved in organized crime a significant jail term together with a substantial fine should be given.²⁰²

Some courts resist sentencing defendants based on who they are and whether they are associated with organized crime, although the United States Code provides for such consideration. They prefer to focus on the particular offense and previous criminal record. These courts oppose sentences designed to fit the criminal rather than sentences which fit the crime. If the case is not strong enough to substantiate a conspiracy conviction, such courts disregard information about organized crime affiliations. Finally, some judges hesitate to punish gambling offenders for conducting games hardly distinguishable from those the state sanctions and operates.

Major efforts against gambling took place in the late 1960s; attention directed toward gambling offenses and offenders has, however, declined steadily during the 1970s. The 1968 Omnibus and Crime Control act, for example, provided for the use of electronic surveillance by Federal investigative agencies--an invaluable tool in investigating gambling. Between 1969 and 1974, the government installed 689 tapes in the gambling area out of total of 958 (71 percent).²⁰³ Nevertheless, in 1981, only 9 tapes out of 106 were in the gambling area, marking the

sixth consecutive year of decline.²⁰⁴ Indeed, since 1978, the Attorney General has not mentioned controlling organized crime's influence in gambling in his annual policy statements.²⁰⁵ Instead, he has mentioned concentrating "efforts" and "resources" on "labor management, racketeering, public official corruption, infiltration of legitimate business and narcotics trafficking."²⁰⁶ These policy statements evidence a shift away from gambling in Federal efforts to contain organized crime.

Federal, as opposed to state and local, efforts against organized crime are crucial. Most syndicates cannot be detected or fully prosecuted within the boundaries of a single state, or without extensive resources, specialization, and modern equipment. Federal intelligence agencies must disseminate information to state and local agencies and conduct investigations preliminary to cracking multi-state organizations. Otherwise, organized crime figures remain insulated in the upper echelons of the hierarchy, beyond unsophisticated and over-extended state and local law enforcement. The Federal shift in policy from gambling invites multi-state organization and syndication of gambling operations.

2. Investigative Techniques

Fruitful techniques in investigating gambling include physical surveillance, use of informants or undercover agents, conscientious response to and follow-up of complaints, use of electronic devices, and extension of immunity to low-level gambling operators willing to testify.²⁰⁷ Each technique can be successful, but each presents problems for law enforcement agencies.

The cost of physical and other necessary surveillance may be prohibitive; launching a full-scale campaign against gambling operations

also requires the dedication of considerable resources and man hours. An investigation resulting in the indictment of Gregory Scarpa, a member of the Joseph Columbo family and the discovery of a regional center for policy gambling in Brooklyn required 21 months of undercover work.²⁰⁸ More than time may be involved; it may be necessary to plan and execute extensive field operations. In 1970, Michigan authorities, for example, raided 58 numbers operations simultaneously;²⁰⁹ also in 1970, "the largest Federal gambling raid in history was directed against illegal sports betting in 26 cities....[It] was a...joint effort of FBI and IRS...working...through the National Council on Organized Crime..."²¹⁰ In 1970, in Hawaii, the government initiated "raids involving more than 70 agents of the FBI and 550 officers of county police departments..."²¹¹ In 1980, in New York and New Jersey, "44 men were arrested in more than 35 locations."²¹² Raids and investigations of such magnitude must be cleverly choreographed and require generous allocations of time and money.

Informants and law enforcement infiltrators can supply authorities with enough information to get a warrant and prosecutors with material sufficient to get a conviction. Many police departments rely on informants. Ninety-five percent of the departments surveyed by the National Gambling Commission reported that the use of informants was their major investigative technique.²¹³ Dependence on this strategy may mean that only a fraction of gambling operations are ever exposed to authorities. Participants in syndicate operations still observe a code of silence. The penalties for not talking, even when offered immunity, meted out by the criminal justice system are less feared than punishments for "ratting" on a superior. If an individual does inform, he may be using the system to avenge himself against a bookie or

operator who has not paid off his wins or a superior who has held back his cut. His testimony may not, therefore, be credible or usable without corroboration.

Law enforcement officials who attempt undercover infiltration by placing bets generally come in contact only with the infantry of the organization. Officers who pass as bookies or operators sometimes are able to collect more valuable information. In 1974, New York Police, for example, negotiated to buy a Bronx disco known as a "watering hole" for the Mafia--the first step in an effort named "Project Scotch." The project ended with no indictments, however, when organized crime figures involved grew suspicious of the policemen.²¹⁴ In 1975 the New York Times reported a more successful operation, in which a New York detective, John Talt, assumed the identity of a betting recorder in a wire room, ingratiated himself with members of the parent organization, and after 19 months "became a partner in a multi-million dollar organized crime sports betting operation."²¹⁵ His testimony proved invaluable in subsequent prosecution. Obviously, pulling off infiltration requires time, investment of funds, expertise, and acting ability.

Response to citizen complaints can trigger police efforts against syndicated gambling operations. In Queens, police received complaints from locals about a numbers racket, investigated, raided a food market, luncheonette, and private home and discovered a \$5 million-a-year gambling operation that had been taking more than 20,000 bets a day. "If it had not been for information supplied to uniformed officers by complaining community residents, the police would not have known of the operation."²¹⁶

Gambling operators are particularly susceptible to electronic surveillance: "No bookmaker of any consequence can operate without his telephone."²¹⁷ Governor Byrne of New Jersey planned to oppose casinos in Atlantic City unless the legislature approved an extension of the state's wiretap law, stating "wiretaps provide an indispensable tool for investigators of organized crime"²¹⁸ In 41 percent of the cases in which wiretap evidence was used between 1968 and 1974, the defendant was convicted and sentenced to some period of confinement, generally between one and five years; in the remaining 58 percent, the defendant was fined, placed on probation or discharged.²¹⁹ Evidence resulting from use of a wiretap is generally more incriminating than evidence from other sources. Martin Sklaroff, a convicted gambler, complained to the Miami press that "federal wiretaps are going to put us out of business."²²⁰

Wiretaps and other electronic devices must be used properly to reap maximum benefits. A poorly placed device results in little or no usable information, wastes the time of whoever must listen and filter inculcating material, wastes money on equipment and the time of personnel trained to install bugging equipment, and is unjustifiably invasive. "To be effective a gambling investigation should involve a series of surveillance orders which lead to "jumping" or "going up" the ladder....[I]n one case examined in detail... the Attorney General's Organized Crime and Special Prosecution Section penetrated to the banker's level vertically and from there horizontally to the lay-off connection."²²¹

The most intensive use of electronic surveillance against gambling operations was Operation Anvil in 1971. Investigators directed Anvil at hundreds of bookmakers. One stated objective of the Anvil Project was

to determine the extent of illegal gambling in the United States.

"Initial estimates of illegal gambling in the United States based on this operation indicated a volume of between \$35 and \$60 billion with 40 percent controlled by La Cosa Nostra."²²² A Justice Department spokesman said that "all worthwhile targets had been worked..." by 1972 as a result of Anvil and the "...deluge of cases...glutted the courts."²²³ He credited the reduced use of surveillance since then to the success of Anvil.

The Commission on Electronic Surveillance in 1975 reflected on the overall usefulness of wiretaps since 1969 and concluded,

Despite the difficulties which gambling investigations often encounter, gambling operations have been cut down to size, or fragmented, forced underground, and made more expensive. These consequences, as well as the inconvenience of the various defensive measures which became a way of life have frequently caused a loss of efficiency, cutting into the all-important profit factor.²²⁴

Another valuable tactic to use in convicting major organized crime figures is extension of immunity to lesser offenders or lower rank figures to get inculcating testimony. However, one encounters problems similar to those faced when using informant's testimony. Thomas Dewey, though, built a fine reputation and presidential campaign as a vigilante against organized crime. He prosecuted, convicted and got substantial sentences on organized crime figures including Charles Luciano,²²⁵ because he "was always ready to let the small fry off easy, or even set them free if they would testify or give information against a master criminal."²²⁶ Ed Austin, Florida State Attorney, has testified,

Tom Dewey, in New York, stated it, where law enforcement people...sat down and pulled it off together. They had the clout, the subpoena power, the grand jury...wire intercepts...

The Florida state-wide grand jury grants immunity to small-time offenders as a matter of policy.²²⁸ In fact, some states find a permanently empanelled state-wide grand jury an important investigative tool, especially when accompanied by an efficient strike force comprised of various law enforcement agencies.²²⁹