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Cuban government and smuggling.

A Miami jury found five men guilty on charges of conspiring with Cuban government officials to smuggle more than five million methaqualone tablets from Colombia into southern Florida; two men were acquitted. Those convicted included Jorge Felipe Llerena Delgado, Jose Domingo Martinez Valdes, Jose Rafael Martinez, and Hector Gonzalez Quinones (AP 2-25-83). During the trial, a self-described (but not wholly credible) Cuban spy, Mario Estevez, testified that he helped smuggle Haitian and Colombian aliens into the US "in order to make the first contact with drug traffickers" and ultimately "fill the United States with drugs." He claimed to have been trained in the spy trade by two officials of the Interior Ministry, Rodobaldo Rico Rodriguez and Francisco Echemendia. During one drug run, Estevez claimed, he met Cuban Vice Admiral Aldo Santamaria Cuadrado, one of four Cuban officials named in the indictment (see PP/USA/2.1). Estevez said his first mission, after entering the US during the Mariel sealift, was to infiltrate the anti-Castro terror organization Alpha 66. That was easy because his half-brother, Pedro Duran, is vice president of the organization. He returned to Cuba in July 1980, then went three months later to the Bahamas where he made contact with Gonzalez Quinones, an alleged Cuban agent, to run drugs with the Cuban navy's cooperation. US authorities arrested him on drug charges in Nov. 1981 (MH 2-15-83; 2-16-83).

Two problems in particular mar Estevez's testimony. The first is his claim to federal officials that some 3,000 other Cuban agents infiltrated the US in the spring 1980 Mariel exodus, a number that staggers the imagination (SJM 4-4-83). The second is his claim that Hector Gonzalez Quinones, his fellow smuggler, was a Cuban agent. In fact, Gonzalez describes himself as a staunchly anti-Castro Cuban, wanted by Castro's police for having attempted to assassinate the Cuban leader's brother Raul with a CIA-supplied bomb on 24 Dec 61. Gonzalez does, however, confirm the involvement of the Cuban government and in particular its navy in the traffic (MN 3-3-83).

At the trial, a Colombian smuggler, Johnny Crump Perez, described a series of high level meetings in November 1979 that hatched the conspiracy. Crump introduced his friend, Cuban Ambassador to Colombia Fernando Ravelo Renedo, the the big time Colombian smuggler Jaime Guillot Lara at the Bogota Hilton. (DEA says that between 1977 and 1981 Guillot smuggled more than 2.5 million lbs of marijuana, 25 million methaqualone tablets, and 80 pounds of cocaine.) Guillot asked for permission to use Cuban waters as a smuggling haven, and Ravelo arranged this. Other meetings included Gonzalo Bassols Suarez, the ambassador's second in command, and Rene Rodriguez Cruz, head of Cuba's Institute of Friendship with the Peoples. In return for Cuban protection, Guillot allegedly paid the regime half a million dollars per boat (MH 2-18-83) and helped smuggle arms to the M-19 guerrillas.

Finally, Miami-based drug runner David Lorenzo Perez Jr. testified that he participated in a drug pickup in late 1980 on the north shore of Cuba,

where he met with Rene Rodriguez Cruz, a member of the Central Committee of Cuba's Communist Party, and with Adm. Santamaria (MH 2-9, 2-10, 2-11-83).

Other allegations were made in Senate testimony by James H. Michel, deputy assistant secretary for Inter-American Affairs, who claims that "At one point Guillot received a Nicaraguan visa from the Nicaraguan ambassador to Mexico, who apparently acted on a request from M-19 military leader Bateman. We know from separate sources that in early 1982 the Nicaraguan Government was negotiating the sale of a DC-6 aircraft to a known Colombian drug runner. Whether or not this indicates a Nicaraguan role is not clear from the information available, but this is something we will be examining closely." (Department of State press release, 4-30-83; cf. POIN 4-11-83).

The kingpin of the drug ring, Guillot Lara, was arrested in Mexico on 25 Nov 81 with false papers. Colombia immediately requested his extradition; so did Washington. But on 30 Sep 82, without giving any reason, Mexican authorities released him from prison. He was later seen in Havana, Madrid, Paris, and East Germany, and is believed to have joined the M-19 in Colombia. One hypothesis for his release is that it was brokered by Nobel prize winning novelist Gabriel Garcia Marquez as part of a deal sought by the Mitterand government to release the poet Armando Valladares from Cuban prison. (Garcia Marquez is a friend of Guillot, Mitterand, and Castro.) (POIN 4-11-83)

Meanwhile, federal agents are said to be investigating a drug ring between Cuba and Orange County that allegedly supplied the Castro regime with sophisticated computer equipment, bull semen, and medical analysis equipment in return for marijuana. One of the principals, Texas businessman Robert Brownfield, is a protected witness (NOTP 4-2-83).

Anti-Castro Cubans and Morales murder. Ricardo "Monkey" Morales, a Cuban exile terrorist who worked for the FBI, CIA, DEA, DISIP, and other intelligence agencies, also ran drugs with some of Miami's leading traffickers. He was murdered in a Miami bar on 22 Dec 82 (PP/USA 2.1). Two of the suspects were Manuel Espinosa and Rogelio Novo; their associate Orlando Torres confessed to the crime on 19 Jan 83. They are part of a group, including also Juan Cid, Emilio Palmar, and Julio Eiros, that owned the Phoenix Inferno (a soccer team franchised through the Major Indoor Soccer League) through a front man, Irv Berger. Cid and Novo are under investigation for laundering money obtained from drug sales. (Cid's estranged wife Nancy used to be married to another drug trafficker, German Lamazares, who was murdered in 1975 by Eladio Ruiz, who in turn was gunned down by Morales. Cf. PP/USA/1.5) Shortly before his murder, Morales was scheduled to testify before a grand jury on the finances of Cid and Novo. He never got the chance. Morales's murderer, Torres, worked for a detective agency owned by ex-CIA employee Daniel Calloway, who was allegedly the link between Phoenix's Berger and the Miami group. Police say Calloway actually worked for Espinosa, a former captain in the Cuban army turned bitter anti-Castro propagandist (AR 2-20-83).

WFC Connections. Flagship Banks Inc., a Florida bank holding company, is suing to prevent Venezuelan businessman Juan Vicente Perez Sandoval from buying any more shares or influencing company management. He now controls 9.9% of the stock. Flagship charges that he may have had a business

relationship with Guillermo Hernandez Cartaya, founder and president of WFC Corp., with ties to the CIA, Castro, drugs, and fraud (MH 1-26-83; John Cummings, "Miami Confidential," Inquiry, August 1981). His associate Salvador Aldereguia recently made the news as president of a freight forwarding firm, Trans-Cuba, that specializes in sending packages to Cuba and handling the paperwork for the entry of Cubans to Miami. It shut down, perhaps defrauding its customers, when Manuel Espinosa (see above) announced its closing over a Miami radio station. A year ago Trans-Cuba was the target of a bomb attack by the terrorist anti-Castro group Omega 7 (MH 2-15-83).

Drugs

More CIA connections. A pretrial hearing in the case of Tampa resident Felix Juan, charged with two other men for trying to sell cocaine to an undercover officer, has been delayed by Juan's allegation that he was working as an informer for the FBI and CIA, possibly regarding trade with Cuba (SPT 4-14-83).

Abscam connection. Justice Department officials say they made former South Carolina congressman John Jenrette an Abscam target "as a favor" for FBI agents in his home state who were unable to indict him after an investigation into his alleged involvement in drug smuggling and land fraud (Oregonian, 1-18-83). Recall that Jenrette's aide John Ethridge was a member of the nation-wide drug smuggling organization, The Company (PP/USA/1.1).

Southern Rim. Sam Cammarata, Houston nightclub owner and talent promoter recently convicted of racketeering and drug conspiracy, had international connections and ties to the FBI and DEA as an informer. He was responsible for six murders (for money or to silence witnesses); operated in Lebanon, Mexico, Colombia, California, Colorado, and Texas; and plotted to kill the president of Lebanon (see below) in order to prosper from drug dealings with a new regime. Cammarata ran unsuccessfully for Congress in Massachusetts, managed the career of boxer Rocky Marciano, and produced records for singer Jimmy Dean. His contacts included Robert Mitchum, Jackie Gleason, and Ted Kennedy; also Louisiana crime bosses Carlos and Joseph Marcello, New England mafia chief Raymond Patriarcha, and other mobsters. Seeking protection from Florida businessman Dominic Santarelli (who had Chicago mob connections), . . . Santarelli, a former boxer linked to organized crime by the Illinois Crime Investigating Commission in 1971, was convicted of tax evasion in October 1981, but acquitted on extortion conspiracy charges (MH 4-22-83). Cammarata became an FBI informer in 1976. He gave information on the Judge Wood murder, Arab plots to kill President Reagan, and Libyan payoffs to Billy Carter for his help in obtaining weapons (HC 3-6-83; 2-5-83).

Midwest. Robert Burns, a Miami Beach lawyer, was charged in Cleveland with drug trafficking after his arrest by federal agents in an apartment listed to Morton Franklin. Franklin, a Cleveland insurance scam artist involved in the mob-linked Northern Ohio Bank scandal in the 1970s (whose conviction in that case was later overturned), was acquitted in Miami in 1975 of charges that he conspired to import marijuana to the US. His co-defendants at the time included Cleveland Teamster official John Nardi (killed by a bomb in 1977); Richard Dial Thorp, who went on to found The Company (see PP/USA 1.1); and the intelligence-linked arms dealer Mitchel WerBell III (ibid.; CPD 4-15-83).

Cleveland mafia underboss Angelo Lonardo, mafia captain Joseph Gallo, and Kevin McTaggart, a former associate of crime leader Danny Greene (blown up in 1977, like Nardi a victim of a local crime war), were convicted of leading a \$15 million-a-year drug ring. McTaggart and other drug convict, Hartmut Graewe, have also been indicted for murdering one William Bostic, who allegedly refused to share gambling proceeds (CPD 1-25-83; 1-26-83).

Las Vegas. Five men from Chicago, Biloxi, and Las Vegas allegedly laundered at least \$16 million in drug profits through the Royal Casino in Las Vegas, according to federal prosecutors. Those arrested include the main trafficker, Bruce Perlowin; the owner and general manager of the casino, Joseph Slyman and Paul Dottore, and two officers of Capital Guaranty Financial Services Corp., Jack Dubard and Charles Broun. Also apparently involved, but not charged, was the treasurer of the Washington, D.C. based International Bank and Trust Ltd., which has strong CIA connections (PP/USA/1.1; AP 3-12-83; CT 3-20-83; LAT 4-11-83).

Iran/West Germany. Former Iranian deputy prime minister Sadegh Tabatabai, a distant relative of the Ayatollah Khomeini arrested in Germany 8 Jan 83 for smuggling more than three pounds of raw opium into the country, fled to Tehran hours before a West German court convicted him. The affair caused a scandal when the Foreign Ministry under Hans-Dietrich Genscher recognized his diplomatic immunity (which the courts denied) (LT 2-26-83; SJM 3-10-83).

Bolivia. Bolivia's former interior minister and six other former government officials have been accused in a sweeping federal indictment of accepting bribes, demanding payoffs, and seizing huge cocaine shipments. The chief culprit is exiled Interior Min. Luis Arce Gomez, who allegedly created an elite paramilitary squad (cf. PP/USA 2.1) to confiscate cocaine and shake down dealers. Arce Gomez was granted asylum in Argentina in December after a civilian government took over in Bolivia. Authorities there have now placed him under "provisional arrest." Also indicted were Juan Carlos Camacho and Jose Tito Camacho, the former public prosecutor and chief of narcotics police in the city of Santa Cruz (MH 4-29-83).

Roberto Suarez, accused Bolivian drug kingpin, returned to a victory celebration at his family farm after being acquitted of drug charges in Miami. The failure of the Bolivian government to touch him indicates that country's continuing role as a drug base (LT 3-5-83).

Lebanon. Lebanon has become a key center of the cocaine trade, involving Lebanese merchants in South America, but the U.S. declines to crack down for fear of undermining leaders of the current Beirut government. Coca paste is allegedly being shipped from South America to Lebanon for refinement, then smuggled to Europe and the U.S. according to senior US officials. One of those involved in the allied hashish trade is the Gemayel family and its Christian Phalange party. ""We had hard evidence that it was tied into the Christian Front and the Gemayel family is a major part of the Front," said former Rep. Lester Wolff, who chaired the House Select Committee on Narcotics Abuse and Control. The rival Christian family, the Franjiehs, controls the drug trade through the Lebanese port of Tripoli. Syria and the PLO are also involved in the trade; apparently Franjieh's family cooperates with the Syrians (PP/USA 1.6; SJN 5-18-83).

France. Police are linking the murder in Oct 81 of Marseilles magistrate Pierre Michel to the "French-Italian drug connection" (the revived French Connection in Italy) and in particular to one of its key members, Robert Kechichian, who bought his way out of prison shortly before the murder by bribing doctors to fake medical certificates. Kechichian, part owner of a club in Antibes, was seen in the company of Jean Jehan, his cousin at Cagnes-sur-Mer, and an 82 year old French Connection veteran who lived for thirty years in the US. (He fled in 1962 after a 250 kilo bust.) Police learned he was in charge of recruiting new chemists for the ring. On 4 June 80 police arrested him and Jehan, while Italian police swooped down on two heroin labs in Milan. This cooperation led to an unprecedented coup: the capture of mafia boss Gerlando Alberti in a lab near Palermo. 35 traffickers were arrested in France and Sicily. Authorities now wonder how many other prisoners evaded the law, like Kechichian, through the traffic in medical pardons (EXPR 1-28-83; 4-15-83).

Miscellaneous. The use and sale of narcotics by police officers has become one of the NY City police department's most serious corruption problems ~reminiscent of the Knapp Commission findings ~according to the department's annual report (NYT 3-6-83) . . . Jose Antonio Fernandez, a major fugitive sought on drug charges stemming from the Operation Grouper sting of March 1981, was arrested March 30 by Brazilian authorities and may be extradited (MH 4-14-83) . . . A San Francisco grand jury has indicted a Las Vegas man, Gary Rocco Garramone, for conspiring to manufacture and distribute a chemical used in the production of methamphetamines. Garramone has been linked by the Pennsylvania Crime Commission to members of the Angelo Bruno crime family in Philadelphia (see 1980 report, pp. 139, 191). Involved with Garramone was Atlantic City casino executive Robert DePasquale (UPI 4-22-83; Oakland Tribune, 4-23-83) . . . Also charged in a methamphetamines case was John DiSalvo of Philadelphia, another Bruno family associate convicted in 1979 of fixing horse races in Massachusetts (PI 2-11-83) . . . Federal authorities, using information supplied by Leroy (Nicky) Barnes, have charged nine men with a conspiracy that involved distributing large quantities of heroin and killing six suspected informers in a NYC drug operation (NYT 3-11-83) . . . Drug money laundering is on the rise in Georgia (AJ 4-3-83).

II. ORGANIZED CRIME

Teamsters Union.

New union president: Jackie Presser. Former Teamster president Roy Williams is free pending appeal of his conviction for conspiring to bribe Sen. Howard Cannon of Nevada. Williams agreed not to take part in union business (SJM 4-16-83). His successor, Jackie Presser of Cleveland is under investigation by the Labor Department for hiring "ghost employees" at his union local. One of the alleged phantom employees, Jack Nardi, son of the Teamster official killed by a bomb in 1977 (see above, Drugs: Midwest), has pleaded guilty to embezzling union funds and soliciting a \$20,000 bribe in return for changing his testimony and becoming unavailable for the probe. (He has also been charged by the state

attorney's office in Palm Beach County, FL with grand theft for collecting funds for a phony charity (CPD 1-12-83)). On the other hand, the Justice Department has dropped its probe of whether Presser accepted kickbacks from a Las Vegas pr firm (CT 4-22-83; WSJ 4-22-83; CPD 3-16-83). Federal protected witness Jimmy Fratianno has testified that Presser once told him, when they were conspiring to skim profits from Teamster dental plans in California and Ohio, "I don't do nothing unless Blackie tells me," referring to James Licavoli, reputed crime boss of Cleveland. (Fratianno adds that when he conferred with Allen Dorfman and Chicago syndicate boss Joseph Aiuppa, Aiuppa told him, "You know I don't like Jackie Presser. We use Roy Williams and Nick Civella.") (WSJ 4-22-83; KCT 2-8-83). Presser was sued in 1978 along with other Central States Pension Fund trustees for lending \$120 million to companies with alleged mob ties that never repaid the loans. In 1980 he was reported to own 500 shares of mob-linked Bally Manufacturing, makers of slot machines. Presser's father, once cited for contempt of Congress for refusing to testify before a rackets committee, was a close friend of Bally executive Sam Klein and in 1972 received a gift of 3,750 Bally shares. 18 months later he voted as a pension fund trustee to lend the company \$12 million (CT 4-22-83). None of this bothers the Reagan administration, which invited him to a state dinner June 7 and named him a "senior labor adviser" during the transition period (SJN 5-9-83).

Presser was not the only Teamster official in the running for the presidency. M. E. Anderson, head of the Western Conference of Teamsters was a contender; but his name surfaced in a recording of a conversation in which Allen Dorfman said he belonged to Chicago syndicate representative Sidney Korshak "lock, stock, and barrel" (WSJ 4-18-83).

Another contender was Joseph Morgan, head of the Southern Conference of Teamsters and a former pro football player who holds six different union posts with salaries totalling \$230,000. He has shown particular favoritism toward Chicago mob-linked labor lawyer Seymour Gopman and his associate George Wuagneux, both convicted (among other things) in 1982 of bilking the Laborers International Union pension fund (MH 4-16-83; on Wuagneux's jewelry fencing operations, see AR 1-22-82; AR 4-5-83).

Dorfman tapes. More revelations have come to light from the Dorfman tapes (cf. PP/USA 2.1). In a discussion with Chicago mob hit man Joseph Lombardo, Dorfman quotes Kansas City mafia chief Nick Civella as saying "I've got a commitment" regarding Roy Williams. The discussion hinged on the plan to make Williams president of the union. "We had a very good meeting," Dorfman said. "Roy agreed with everything. In fact, I got to give him a whole list, written out, as to procedures to be followed." Dorfman continued, "He has supposedly agreed that the conduit between him and the trustees is going to be me" (Tape of 1 May 79, NYT 2-23-83). At another point, Civella told Dorfman and Lombardo, "I want to protect Roy. He's a friend of mine. When you consider where he came from, how he got to where he is now, you have to be a little afraid" (Tape of 23 April 79, SJM 3-1-83). Yet another conversation concerned the Aladdin casino of Las Vegas; the participants allegedly included Dorfman, Lombardo, and Anthony Spilotro, a Las Vegas hood who represents Chicago syndicate interests. They discussed raising \$90 million to buy the casino through another group. Lombardo said the Detroit syndicate (one of whose members was convicted in 1979 of having a secret stake in the casino) would have to approve the deal, "so now we have to reach out for the guys in Detroit.

But we got the blessings from the St. Louis guys" (WSJ 2-23-83; LVS 2-24-83).

Dorfman assassination. FBI sources suspect that one of Dorfman's killers may be Paul Schiro, a West Side associate of Tony Spilotro. Federal mob witness Frank Cullotta, a former Spilotro lieutenant, says Schiro was one of the Chicago mob's four hit men. He allegedly fits the description of one of the killers. Meanwhile police have released a few of the names of people in Dorfman's personal telephone book. They include George Dunne, president of the Cook County Board, Cleveland mobster James Licavoli, former pro football players John Hadl of the San Diego Chargers and John Brodie of the San Francisco 49ers, and former football player Ed Marinaro, who plays Officer Joe Coffey on "Hill Street Blues" (CT 1-23-83).

Tidbit: "a corporate airplane sent to Eagle River, Wis. to fly Dorfman's lodge manager, Ralph Richardson, down for the funeral was registered to the Pritzkers" (CT 2-8-83), owners of the Hyatt chain and other enterprises.

Gambling

Tropicana. Joseph Agosto, former show producer at the Tropicana hotel-casino in Las Vegas, has turned government informer to avoid becoming "another statistic like Allen Dorfman." In US District Court in Kansas City he pleaded guilty to a 17 count indictment charging him and nine other men with skimming at least \$280,000 from the Tropicana. He will be placed in the Federal Witness Protection Program. The federal case was based on wiretaps showing Agosto's role as a middleman between the casino and the Kansas City mob, led by Nick Civella. Agosto has since been sentenced to 20 years, along with former Tropicana owner Deil Gustafson, for an illegal check kiting scheme involving two Minnesota banks owned by Gustafson. Agosto was convicted years earlier of federal loan application violations and served ten months for parole violations on that charge (KCS 4-3-83; REG 4-5-83; LAT 5-4-83).

Meanwhile an Agosto associate, Whittier oilman Jack R. Urich, is suing the US Organized Crime Strike Force, the Los Angeles Police Department, and other agencies for \$46 million stemming from their botched investigation of his organized crime relations. He charges that government agencies used criminal informants, including one crooked art smuggler, to penetrate and ruin his business. Urich has accused this informer of doing business with the notorious land swindler Danny O'Keefe and of attempting to sell arms to Argentina during the Falklands War (LAT 1-30-83; 2-25-83)

Perlmans. With strong dissent from their new chairman, members of the Nevada Gaming Commission voted 3-1 to permit former Caesar's World boss Clifford Perlman take over the Dunes hotel-casino in Las Vegas. Clifford and his brother Stuart had been turned down by New Jersey authorities because of their business dealings with Lansky associate Sam Cohen, alleged Lansky associate Alvin Malnik, and convicted building contractor Cal Kovens (a Jimmy Hoffa crony). The Perlmans were closely questioned about why they continued doing business with these figures after they had been warned by gaming officials to desist. The brothers were aided in their licensing fight by powerful political figures, including their

attorney, former Nevada governor Grant Sawyer, former Rep. Jim Santini, and others (LAT 4-6-83; 4-7-83; 4-9-83; REG 4-6-83; 4-10-83).

Aladdin. Although the Perlmans passed with little difficulty, members of the gaming commission warned that others might not fare so well; speculation is that the reference was to three proposed buyers of the scandal-tainted Aladdin casino: former Tropicana landlord Fred Doumani, his brother Ed, and Denver businessman Victor Sayyah. Fred Doumani is said to be a "constant associate" of Joey Cusimano, alleged right hand man to Las Vegas mob heavy Tony Spilotro (REG 4-10-83). Aladdin owner Ed Torres, himself an alleged mob associate, has been trying to sell the casino to pay back a \$32 million Teamster loan and two other mortgage owners, Valley Bank and a group of former owners (Variety, 4-6-83).

Trans-Sterling. This holding company for the Stardust and Fremont hotel-casinos is the largest Teamster pension fund borrower and has apparently breached an agreement on its \$80 million debt. Its sole owner is Allan D. Sachs, who with his associates is called by an FBI affidavit "figureheads for the Chicago mob and responsible for providing skim monies to the mob from their casinos." Sachs and several partners also lease the Sundance from former Lansky gambling and bootlegging partner Moe Dalitz. Sachs allegedly funnelled assets from the Stardust and Fremont into the Sundance in violation of his loan agreements (WSJ 2-24-83). Nevada gaming officials have discovered that a minimum of \$135,000 a month is being skimmed from the Stardust (Variety, 4-13-83). Several executives of the Stardust and Fremont, as well as mob lieutenant Joseph Cusamano and attorney Jay Brown, have been subpoenaed to appear before a federal grand jury in Kansas City investigating mob infiltration (Variety, 3-15-83).

Miscellaneous. Nevada's state Supreme Court has ruled that Chicago mobster Tony Spilotro can't be banned from Nevada casinos without a statement of facts by the Gaming Commission (REG 4-2-83). John Polite Jr., chairman of Essex Chemical Corp. was elected a director of Caesar's World and its New Jersey affiliate (WSJ 10-5-82). . . Strong political opposition has developed in Atlantic City against a South African developers plans to build a casino there. Southern Sun Hotel Holdings Ltd. says it will comply with state regulations for minority hiring. Its partner in the venture, American Leisure Corp., is headed by Nathan Jacobson, who has had several run-ins with securities law enforcers who alleged he engaged in fraud (WSJ 4-18-83). . .

Bally Manufacturing Co., casino operators and makers of gaming equipment, are behind a massive lobbying push in Iowa to establish a state lottery. The state has just legalized betting on horse and dog racing. Bally's Georgia subsidiary, Scientific Games Inc., succeeded in 1980 in persuading Colorado voters to ratify a constitutional amendment legalizing gambling (Des Moines Register, 2-20-83). . . Art Schlichter, Baltimore Colts backup quarterback, has gone to the FBI to avoid retribution from four Maryland bookies to whom he owes \$159,000. The NFL is also investigating (NY Daily News, 4-10-83; NYT 4-16-83). . . Hearings before the New Jersey State Commission of Investigations turned up the names of 25 mobsters who obtained \$1.2 million in credit from Atlantic City casinos last year. Nicodemo Scarfo, reputed mob boss of the city, received free rooms and dinners from the Tropicana, Claridge, and Golden Nugget casinos. Other casinos giving such favors included the Sands, Harrah's, Caesars, and Playboy (NYT 3-5-83).

General Organized Crime

Chicago. The FBI says "the biggest shakeup in two decades" is taking place in the mob hierarchy here, and says it has "a very intensive investigation underway using the RICO statutes." (MH 2-8-83). The immediate causes are: 1) the assassination of Teamster insurance agent Allen Dorfman, and the conviction of Chicago hit man Joseph Lombardo; 2) the bungled shooting of Chicago gambling boss Ken Eto, a confidante of Vincent Solano in the mob's inner circle, who is now telling everything he knows to the police; 3) detailed informing by two other Chicago mob associates, Frank Culotta and Alva Johnson Rogers, who have linked Lombardo to specific murders; and 4) the indictment of the Chicago mob's Las Vegas representative, Anthony Spilotro, for the torture murder of two burglars in 1962. Spilotro has allegedly incurred the wrath of his bosses in Chicago for threatening the lives of Las Vegas police officers and for having an affair with the wife of another Chicago mob associate, Frank Rosenthal (a long time Las Vegas casino figure) (CT 1-28-83; 2-3-83; 2-11-83; 2-12-83; 2-13-83; Chicago Sun-Times 2-27-83). Nonetheless, the Chicago mob still seems to enjoy great political clout, including a key precinct captain in the 42nd Ward (suspected of vote fraud) and with Sheriff Richard Elrod, who gave a deputy sheriff's job to one John Gaffuso, accused of being the hit man who wounded Ken Eto (Chicago Sun-Times, 1-9-83; Omaha World Herald, 2-20-83).

Tampa. Reputed mafia leader Santo Trafficante and a former captain in the Pasco County Sheriff's Department were among 12 men indicted by a federal grand jury for crimes including gambling, prostitution, narcotics trafficking, extortion, bribery, and the planned takeover of garbage collection on Florida's West Coast. Those indicted included members of the Chicago and New York crime families. The operation, code named "Coldwater" after the name of one of its mob targets (Vincenzo Aquafredda, owner of a garbage business), saw the FBI setting up a posh bottle club and illegal gambling casino called King's Court, about 40 miles northwest of Tampa. A spinoff of the investigation led last year to the conviction of several members of the Bonanno family in New York. Trafficante escaped trial last year on charges stemming from an alleged insurance rip off of the Laborers International Union on grounds of ill health. Since the indictments, at least three figures connected with the case have died, at least one by murder, and the two others have been ruled suicides (SPT 4-2-83; 4-25-83; MH 4-2-83; Tampa Tribune 4-2-83).

New Orleans. The 5th US Circuit Court of Appeals has upheld the conviction crime boss Carlos Marcello for conspiring to pay kickbacks and bribes in exchange for state insurance business (NOTP 4-2-83) and Marcello has finally gone to jail (NOTP 4-16-83). Nonetheless, the case could be threatened by recent admissions by an FBI black bag specialist that he attempted illegal breakins against Marcello properties (WP 3-12-83). Court documents in Los Angeles throw further light on the case, indicating that Marcello enlisted the aid of Chicago crime boss Joey Aiuppa and Tampa boss Santo Trafficante in the insurance scheme. They further indicate that Marcello claimed that the "Chicago people" controlled then-Teamster president Frank Fitzsimmons (NOTP 5-16-83). Marcello's brother Joseph had perjury charges dropped in connection with his grand jury testimony on the Judge Wood murder case (NOTP 1-14-83).

Kansas City. Nick Civella, longtime boss of the KC mob, died of cancer in March, passing leadership to his elder brother Carl. The KC mob is in trouble following the conviction of their close ally, Teamster president Roy Williams, and the indictment of their hierarchy on casino skimming charges (PP/USA/2.1). Carl Civella, arrested several times for gambling, was sentenced in 1939 to a year and a day for possession of morphine. For lengthy obits, see KCS, KCT 3-14-83; KCT 3-16-83.

St. Louis. Eight men, including three members of the ruling mafia Leisure family, have been indicted for murder in the bombing death of James Michaels, an organized crime figure. Members of the Leisure family have been fighting a bloody war to take over and retain control of the Laborers International Union locals in the city. Paul Leisure, one of those indicted, is business agent for Laborers local 42, himself a victim of bombing (which he survived), and considered an underworld enforcer and head of one Syrian-Lebanese faction. He used to accompany St. Louis crime chief Anthony Giordano on his visits to the Dunes hotel in Las Vegas, owned by St. Louis attorney Morris Shenker (SLPD 4-17-83).

New Mexico. A libel suit brought by Albuquerque attorney William Marchiondo against the Albuquerque Journal regarding an article the newspaper ran linking Marchiondo to organized crime has brought to light much interesting information that supplements the story of his relations with Jimmy Fratianno as related in *The Last Mafioso*. As described in PP/USA/2.1, Marchiondo and a hood named Johnny George were involved with the Nugan Hand Bank in raising money to build a casino in Las Vegas. During the trial Marchiondo described his failed efforts with George to arrange financing, including an approach to James V. Napoli Sr., an alleged New York City crime boss and gambling kingpin (an affidavit from New York mob associate Jerome Sternlieb accused Napoli of passing a bribe to former New Mexico governor Jerry Apodaca). Napoli warned Marchiondo against investing in the Westchester Premier Theater (a Fratianno-linked venture) because, as proved correct, the promoters were "looking to milk it dry." (Several top executives of Warner Communications would later be convicted or plead guilty to charges in this case.) Wiretap evidence introduced at the trial linked Marchiondo to the late Allen Dorfman (Marchiondo asked him for investment capital) and Dunes casino owner Morris Shenker (Marchiondo asked Fratianno to intervene with Shenker on his behalf regarding a property easement in Palm Springs). There was even an accusation at the trial, by a former member of the state attorney general's office, that President Carter's White House counsel Lloyd Cutler killed an investigation of the Fratianno-linked Alfa Chemical Co. Most intriguing of all is a reference in DEA files to Marchiondo's links with the late Lee Chagra, whose brother Jimmy was one of the Southwest's leading drug traffickers. This tends to add weight to unverified published accounts linking Chagra to Nugan Hand (Albuquerque Journal, 1-12-83 to 3-5-83).

France. Paris gangster Edgar Paul Zemmour was assassinated by a sniper at his home in a wealthy quarter of Miami. Police have no motive, but speculate the killing may be related to his attempts to penetrate Caribbean gambling, or to the murder in January 1982 of Corsican godfather Marcel Francisci. Edgar came to the US after a 1975 shootout with French police that left him wounded and his brother William dead. The Zemmour brothers made a fortune in prostitution and other rackets in France, West Germany, and Israel. They enjoyed close relations with the Gaullist strongarm organization SAC (which shielded them from the law)

and with the Israeli intelligence organization Mossad, because of their handsome contributions to the Israeli war effort in 1967. However, they were ultimately kicked out of Israel because of their criminal record (MH 4-10-83; ST 4-17-83; LM 4-22-83; James Sarazin, Dossier M comme Milieu, *passim*; Jacques Derogy, Israel Connection).

Canada. One of the greatest financial scandals in Canadian history, involving an extremely complicated series of questionable apartment deals and holding company transactions (the so-called Greymac affair), has now been linked to Toronto lawyer Joseph Burnett (TGM 2-19-83). Burnett is an acknowledged business associate of John Pullman, one of Meyer Lansky's key Swiss bagmen.

Alvin Malnik. Miami attorney Malnik, whose business dealings with key associates of Meyer Lansky have made law enforcement experts point to him as a possible Lansky successor, was apparently the victim of Chicago mob extortion. The March 3, 1982 bomb explosion that ripped apart his Rolls Royce was followed one day later by Malnik's sale of 163 acres of choice Miami real estate to Marion Lombardo, wife of now-convicted Chicago hit man Joey Lombardo, for \$1.09 million. Lombardo is under indictment on charges that he bombed the Lake Forest home of builder Robert Kendler in 1979. Two other Chicago mob-linked people were targets of bombs in Florida, Joseph Dan Testa (see PP/USA/2.1) and Burton Wolcoff (see PP/USA/1.). (Chicago Sun-Times, 1-9-83). Meanwhile, People Magazine has reported that Malnik and his son Mark have deserted Miami for Saudi Arabia and are converting to Islam; the report adds that Mark divorced his wife and secretly married the sister-in-law of Saudi Prince Turki bin Abdul-Aziz, former Saudi deputy defense minister who was involved with Malnik in a controversial development plan for Watson Island (MH 5-1-83; PP/USA/1.).

Jimmy Carter and car theft rings. First Lady Rosalynn Carter was taken in by underworld figures operating a phony charity during the 1979 International Children's Appeal. The charity, headed by convicted forger John Ellsworth and Gambino family drug trafficker James Eppolito, was a front for drug and gun running, according to law enforcement sources. Since then Eppolito and his son James have been gunned down, gangland style, along with a witness to their murder, and now a fourth victim, Gambino family member Roy DeMeo, who was preparing to tell authorities what he knew about the murders. Since then investigators have solved these and other murders pursuant to an investigation of an international auto-theft ring run by the Gambino family (NDAY 1-25-83; NY Daily News, 4-10-83).

FBI says that eight mobsters and their associates have been killed since 1977 in connection with an auto-theft ring controlled by Anthony Tortorella, a Lucchese crime family captain (NDAY 3-4-83). George Nicholas Vios, who fled to South America in 1978 while standing trial in North Carolina on charges of involvement in a nationwide stolen car ring working out of Orlando, Arizona, and Long Island, was found cemented into a freezer in West Palm Beach. He was an associate of Eugene Robert Ciuzio, convicted of charges stemming from the Abscam investigation of former Rep. Richard Kelly, R-FL (SPT 4-6-83; Orlando Sentinel, 4-6-83).

Ronald Reagan and Ed Meese. A Los Angeles deputy city attorney has charged that LA businessman Robert M. Terry, currently the subject of a tax investigation by the US Organized Crime Strike Force in LA, met

regularly with White House Counselor Ed Meese, a charge both deny. Terry was also alleged to be involved in international gun sales and attempts to supply Argentina with "war helicopters" during the Falklands War (on which see Tropicana section above). Terry attracted the interest of law enforcement officials with his deals with Dunes Casino owner Morris Shenker and other alleged mob associates. He was invited to the White House and photographed with Nancy Reagan following his \$25,000 contribution to the Wolf Trap Performing Arts Foundation in 1981 (LAT 3-12-83).

Jack Catain. Two investors in the Commercial Bank of California, founded by Johnny Carson, are suing his attorney for fraud and loan sharking in connection with mob associate Jack Catain, who borrowed hundreds of thousands of dollars from the bank. Catain, who had dealings with the late Philadelphia crime boss Angelo Bruno, was called "a major organized crime figure" by a Secret Service agent in 1981, during a counterfeiting case against Catain. Catain's own former company, Rusco Industries, won a court order against him for \$2.7 million that he allegedly stole from the firm; Catain has since filed for bankruptcy (SJM 3-11-83; WSJ 4-4-83; 5-5-83; LAT 3-22-83).

Miscellaneous. "The men and women whose vision made possible the Simon Wiesenthal Center," according to its March 1983 report, include Allen Glick, a retiree from the world of Las Vegas gambling after the FBI called him a front man for the Chicago mob; Frank Sinatra, whose story is the same; Oscar Goodman, the top mob lawyer in Las Vegas; Hank Greenspun, Las Vegas publisher and former p.r. man for Cleveland mobster Moe Dalitz; and Jay Pritzker, who has had some interesting associations of his own in Chicago. The center proudly announces also the appointment of Don Soffer of Turnberry Isle Country Club, N. Miami Beach, to the Center's board of trustees. Meyer Lansky used to hang out at that country club (MH 4-20-82). . . Florida mobster Anthony Acceturo, a twice convicted extortionist, has been indicted on two counts of income tax evasion (MH 4-16-83). He has also been linked to a nightclub in Fort Lauderdale at which two Medicaid fraudsters applied for a liquor license (Ft. Lauderdale News, 4-3-83). . . A grand jury has accused FBI informant Michael Klepfer of obstruction of justice for his allegations that Labor Secretary Ray Donovan had mob associations (WP 3-16-83; WSJ 3-21-83). . . A proxy battle for control of GAF Corp, the chemical company, has brought to light the facts that GAF director Robert Spitzer, president of the New York construction firm Treadwell Corp., admitted making cash payments of almost \$600,000 to a union official in return for labor concessions; and that GAF retained the services of convicted bank swindler Eugene Boffa Sr. as a labor consultant (Oakland Tribune, 3-27-83). . . Federal protected witness Joseph Hauser, an insurance fraud artist, has told a Senate committee that the Chicago mob handpicked leaders of the Laborers International Union and Hotel Employees and Restaurant Employees International Union (NOTP 4-28-83). . . The Senate Permanent Investigations subcommittee has also heard testimony on how the Gambino and Genovese families in New York have taken control of the toxic waste disposal industry (SFE 3-15-83). . . "Pittsburgh Mafia still lusts for control over Cleveland" (CPD 2-24-83). . . Structure of the New Jersey mob outlined (Bergen Record, 2-16-83). . . Alleged mob involvement in dental plan of International Union of Allied Novelty and Production Workers (CT 3-15-83). . . A cousin of former Mexican president Jose Lopez Portillo was found shot to death, gangland style (HC 2-5-83). . . John Russomanno and Joseph Losasso plead guilty in Smaldone family loan shark

case (DP 2-11-83). . . Review of Cleveland Browns owner Arthur Modell's mob associations (Akron Beacon Journal, 1-17-83). . . New England black organized crime leader Alvin Campbell gets 15 year sentence for possessing guns, silencers, and cocaine (BG 3-16-83). . . "Winning through elimination," profile of Philadelphia mob boss Nicodemo Scarfo (PI 2-27-83). . . Mob connections of security guards union outlined (Forbes 2-14-83). . . Roy Cohn's dubious business associations recalled (VV 3-29-83). . . Chicago mob chiefs Anthony Accardo, Joseph Lombardo, and James Cerone subpoenaed as part of car theft investigation (CT 1-30-83).

III. INTELLIGENCE

Wilson/Terpil. A former employee of ex-CIA agent Ed Wilson, former Army weapons expert John Heath, testified that Wilson tried to sell nuclear weapons, nuclear fuel, plans and equipment to Libya in 1980. The plans seems to have been a hoax, but when the Libyans turned it down, Wilson tried to use the threat of a Libyan bomb to bargain away his legal troubles in the US. . . At the same Wilson trial, Maj. Gen. Richard V. Secord, a key Pentagon official handling Mideast security affairs, testified that Wilson offered to procure a Soviet MiG-25 jet fighter in 1980. Secord, who has since resigned from the Pentagon, admitted that he also discussed "various business opportunities" with Wilson at their meeting. Secord was introduced to Wilson ten years ago by then-CIA official Thomas G. Clines, who has since become a Wilson business partner (WP 2-4-83; see Australia).

William W. Pearce, a former Washington, DC private detective, has testified before a grand jury that Sen. Strom Thurmond, R-SC, received at least \$20,000 in bribes from a middleman for Wilson. At least two Thurmond aides went to work for Wilson, and Thurmond's wife was employed by the pr firm of Robert Gray, who served as a board member for Wilson's company Consultants International. Thurmond denies receiving any payments from Wilson. Other congressional acquaintances of Wilson include Rep. Thomas P. O'Neill, D-MA; Rep. Silvio Conte, R-MA; Rep. Charles Wilson, D-TX; Sen. John McClellan, D-Ark.; Rep. Dan Flood, D-PA (Jack Anderson, 2-2-83; 2-3-83; 3-11-83; 3-14-83; 3-15-83; 3-29-83).

Retired high-level Pentagon intelligence analyst Waldo Dubberstein was found dead of an apparent suicide after being arraigned on charges that he sold US military secrets to Libya through Wilson. When Wilson approached him in 1977 or 1978, Dubberstein was the senior officer in charge of analysis of the Middle East, South Asia, and North Africa for the DIA. Dubberstein's alleged motive for dealing with Wilson was to raise cash to pay for a German mistress (sources disagree as to whether she was from E. Germany or W. Berlin) (WP 4-29-83; 4-30-83; 5-8-83; SJM 5-9-83).

Wilson was acquitted on charges of arranging to kill Umar Abdullah Muhayshi, a Libyan opponent of Khadafi, using Cuban exile hit men (NYT 3-6-83). Eugene Tafoya, the former Green Beret found guilty of misdemeanor assault against a Libyan student exile in Fort Collins, has been arrested on charges of firebombing the car of a businessman who dealt with Wilson (DP 1-29-83).

George Gregory Korkala has pleaded innocent to charges he participated in a scheme with former CIA agent Frank Terpil to sell weapons illegally to Uganda. Korkala was recently returned to New York state after two years underground in Spain and the Middle East (UPI 3-15-83).

Wilson's departure from the CIA in 1971 to join the Navy's top secret Task Force 157 has never been explained. Now a source claims that the CIA dropped Wilson because he blew his cover to a Senate aide whom the FBI was investigating for ties to the KGB. The Navy hired him without background checks that would have turned this up (WP 3-14-83).

Paul Arthur Crafton, the notorious George Washington University professor charged with using at least 34 different aliases during his career, became involved with Ed Wilson in a business venture in 1971, when Wilson was still a deep cover operative for the CIA. Crafton also had dealings with former CIA agent turned security consultant Glenn Robinette (WP 5-1-83).

See also Australia section in this newsletter.

Intelligence

CIA/Covert operations. Former CIA director Stansfield Turner disclosed that during the Carter administration his agency sought ways to overthrow Iran's Ayatollah Khomeini, Libya's Muammar el Khadafi, Cuba's Castro, and the Sandinista regime of Nicaragua. In each case he decided that such operations would be impractical (BS 5-12-83). ABC News has reported that President Reagan authorized a secret plan to overthrow the government of Suriname with a paramilitary force of exiles but dropped the idea when Congress objected. A similar plan was considered against the leftist government of Grenada (SJN 6-1-83; SJM 2-27-83).

CIA/Miscellaneous. Retired Air Force General Richard B. Collins, charged with embezzling official funds from a Swiss bank account, says he will disclose details of the CIA's foreign financial operations and its enormous money laundering operations as part of his defense (MH 2-10-83). . . The bomb blast that destroyed the US embassy in Beirut took the lives of at least seven CIA agents, including that of its top Mideast expert, Robert C. Ames (SJM 4-26-83). . . The CIA denies allegations reported in the Washington Post last year by former CIA clandestine officer Philip Liechty, that the CIA fabricated evidence of North Vietnamese aggression in South Vietnam to justify further US intervention (WP 5-9-83). . . "US said to have large spy network in Latin America" (NYT 3-20-83). . . "Why Presidents Stumble" (and ignore advice and warnings from the CIA) (Jack Anderson in Parade, 3-13-83). . . "The CIA's secret ties to local police" (Nation, 3-26-83). . . Former CIA deputy director Max Hugel has recently been involved in a group attempting to buy a New Hampshire racetrack (WSJ 5-10-83). . . CIA Director William Casey is trading more heavily than ever in stocks ~up to \$4.5 million in purchases and up to \$2.1 million in sales in 1982 alone. "Following release of Casey's disclosure form last year, which showed he had sold more than \$600,000 in oil stock as a glut developed in world markets in 1981, the CIA established a 'screening arrangement' aimed at preventing him from taking official actions for personal gain." (SJN 6-1-83). . . "U.S. took over Argentine role in Nicaragua" (SJM 4-8-83). . . "CIA loses bid to conceal records on killing of JFK" (AR 4-3-83). . . The new head of the West German BND, Eberhard Blum, is a former aide to the BND's founder, Reinhard Gehlen, and was a

resident officer in Washington for the past 13 years (German Tribune, 1-9-83).

Army intelligence. The White House is imposing guidelines on a 2-year old Army intelligence gathering unit called Intelligence Support Activity (ISA) that has conducted operations in places ranging from Nicaragua and El Salvador to Africa and Southeast Asia. It has worked for almost a year without a legally required presidential finding that it was necessary to the national security, and the Army's inspector general says it was monitored "insufficiently closely" to date. The unit's existence came to light in 1981 when former Green Beret officer James G. Gritz mentioned it in connection with his efforts to locate prisoners of war still living in Southeast Asia. Former CIA director Stansfield Turner denies knowing about the unit's existence (it apparently began operating in 1980 during the Iran hostage crisis) and current CIA director William Casey refuses to say when he learned about it (SJM 5-15-83).

KGB. Soviet diplomats have been ejected in record numbers from Western countries for spying. Socialist France expelled 47 diplomats, journalists, and residents, charging that the Soviets had been attempting to procure sensitive scientific and technological information. French spokesmen denied widespread speculation that the explosions were related to the death of a French intelligence officer, Lt. Col. Bernard Nut, on Feb. 15, found with a bullet wound to the head on a road near Nice. Nut, according to some accounts, helped provide information to Italian authorities on a connection between Bulgarian intelligence and the attempted assassination of the pope; Nut has also been credited with providing information that led Italians to arrest Viktor Pronin, an alleged Soviet agent attached to the Rome office of Aeroflot. Other reports said his main job was counterintelligence, to protect France's most vital nuclear secrets (French embassy press release, 4-16-83; NSWK 3-28-83; SFC 3-12-83; NYT 4-6-83). . . . The Swiss government booted out a Soviet press official, charging that he was a center of "agitation and subversion" and had helped organize anti-nuclear demonstrations (SJM 4-29-83). The U.S. and Australia also kicked out Soviet officials on spying charges (SJM 4-27-83). . . .

British Prime Minister Margaret Thatcher released the findings of an official investigation into the activities of convicted Soviet agent Geoffrey Arthur Prime, a Russian-language specialist for the Government Communications Headquarters, who admitted passing secrets for 15 years. The report found that he had inflicted "damage . . . of a very high order . . . greatly magnified by the fact that United States secrets had been no less gravely compromised than our own" (SJM 5-13-83).

IV. TERRORISM/POLITICAL EXTREMISM

Cuban exiles. Orlando Bosch, convicted in 1968 of the bazooka attack on a Polish freighter in the port of Miami, is fasting in a Venezuela jail to protest his continued imprisonment on charges of bombing a Cuban airliner in 1976, killing 73 people. The Cuban American Bar Association has appealed to Venezuelan president Luis Herrera Campins on his behalf, on grounds that he has never been convicted of the crime, and indeed was acquitted by a military tribunal in 1980 (MH 3-7-83). The Venezuelan agent who arrested him, Cuban exile Ricardo Morales (see above, "Drugs"), later admitted that he, not Bosch, had supplied the explosives that blew

up the plane. (Morales's testimony is suspect, since he claimed the explosive was C4 plastic, not nitroglycerin, as Cuban and British investigations showed). Before his arrest, Bosch had undertaken missions for the Chilean DINA (including an attempt to kill the nephew of Salvador Allende) and was a founder of CORU, a exile terrorist coalition that plotted attacks on Cuban targets (MH 4-3-82; 5-13-83). His case will now be considered by a civilian court in Venezuela (MH 5-12-83). Miami celebrated Dr. Orlando Bosch Day on March 25 (MH 3-25-83).

Gaspar Jimenez, convicted of the attempted kidnapping of a Cuban diplomat in Merida, Mexico in 1976 (see John Cummings article, this issue), has been freed from a Mexican prison and will return to Miami. His crime partner Gustavo Castillo was released and deported last December. Both men were key suspects in the 1976 bombing attack on former WQBA Radio News Director Emilio Milian (MH 5-10-83).

Letelier assassination. Confessed Chilean DINA agent and assassin of former Chilean ambassador Orlando Letelier, Michael Vernon Townley, was quietly granted parole in April and due to be released from prison May 6, but for an Argentine request for his extradition on charges that he murdered Chilean Gen. Carlos Prats and his wife in Buenos Aires. The Argentines linked their request to that of the US for the extradition of Bolivian ex-interior minister Luis Arce Gomez, a reputed torturer and cocaine trafficker (see PP/USA 2.1). An Argentine judge said, "After a deep investigation, I can say without hesitation that the double homicide was carried out by Michael Vernon Townley, who was helped by Chilean authorities" (WP 5-20-83; NYT 4-19-83). Meanwhile an Italian prosecutor has charged three neofascists with attempting to kill the founder of Chile's Christian Democratic Party eight years ago in Rome in another DINA/Townley sponsored action; the three are Pierluigi Concutelli, Stefano delle Chiaie, and Silvano Falabella (MH 5-14-83).

German Nazis. Gerd Heidmann, the Stern journalist who produced the famous fake Hitler diaries, has close nazi associations of his own. His wife is a fervent admirer of Hitler. He bought Goering's yacht in 1973 and later developed friendships with Maj. Gen. Karl Wolff, Heinrich Himmler's personal adjutant, and Wilhelm Mohnke, the SS brigade leader who had been the last commandant of Hitler's bunker. Heidmann traveled with Wolff to South America to question escaped Nazi war criminals Klaus Barbie and Walther Rauff about the location of the Hitler diaries (SJM 5-7-83) . . .

A report from the World Jewish Congress concludes that most of the high ranking Nazis whose whereabouts are unknown--e.g. Martin Bormann and Heinrich Muller--are "now most probably dead." As for the infamous Josef Mengele, the Auschwitz "doctor," he apparently spent the last 15 years in the United States (No. Calif. Jewish Bulletin, 4-1-83) . . . Profiles of Klaus Barbie, "Butcher of Lyons" (New Times (Moscow) 8.83 and 9.83 (February); POIN 1-31-83; ST 3-20-83; LM 2-16-83).

Karl-Heinz Hoffman, leader of the banned military "sports group" that bore his name, and which was suspected of complicity in the 1980 Munich Oktoberfest massacre, has been charged with the shooting deaths of a Jewish publisher and his female companion in December 1980 (Jerusalem Post, 1-20-83) . . . Members of the Hoffman group have been implicated in bomb attacks against US armed forces in West Germany. These raids reflect "a serious dispute between Hamburg neo-Nazi leader Michael Kuhnen and

remaining members of the (Wehrsporthsgruppe Hoffmann and the People's Socialist Movement of Germany). They are opposed to Kuhnen's Hitler cult and uniform fetishism and call for anti-imperialist liberation war to be waged, on the Americans in particular. . . They subscribe to the old-style National Bolshevik view that what Germany needs is neutrality at peace and in friendship with the Soviet Union. Described by Kuhnen as putschist adventurers, these 'left-wing' right wingers note in a pamphlet secretly distributed: We recommend a comparison between Russian and West German officers. It will soon be clear who the sub-humans are, not to mention US soldiers of course" (German Tribune, 2-13-83).

US Labor Party. Lyndon LaRouche's US Labor Party organized a conference on "directed energy beam weapons" (Ronald Reagan's "star wars" proposal for a missile defense system) in Washington, DC, and managed to attract more than 500 scientists, educators, government officials, and others. Conservatives, suspicious of LaRouche's Marxist past, criticized the conference as an attempt to coopt their followers (Human Events, 4-23-83).

Miscellaneous. Los Angeles police detective Jay Paul, under investigation for stashing masses of police political intelligence files in his home and garage, helped establish a massive computerized data bank on political leftists, managed by Western Goals, a Virginia-based right wing organization headed by Rep. Larry McDonald, D-Ga. Members of Western Goals' board include Gen. John Singlaub, an associate of Mitchell WerBell III, and former commander of US troops in South Korea until Pres. Carter fired him; Adm. Thomas Moorer, former chairman of the Jt. Chiefs of Staff; and Edward Teller, "father of the H-bomb." (LAT 5-24-83; cf. PP/USA/1.) . . . Federal authorities think there may be a link between Gordon Kahl, the Posse Comitatus tax protester killed in a shootout, and convicted Alabama church bomber J. B. Stoner, founder of the National States Party who is now being sought by the FBI for unlawful flight. The two men seem to have benefited from the same national support network (MH 4-13-83). . . Abu Nidal, the bloodthirsty Palestinian terrorist responsible for assassinations of PLO officials and Palestinian moderates, and the attempted murder of the Israeli ambassador to London (which triggered the Lebanese invasion), is allegedly funded by Israel to promote the splintering of Palestinian ranks (Jack Anderson in Santa Barbara News-Item, 4-25-83). . . "The Corporate State of Grace: Reagan's Friend (J. Peter Grace) Tries to Bury the Past" (VV 4-12-83; nazi, CIA connections).

V. AUSTRALIA

Nugan Hand. A Federal-New South Wales police report says that former CIA official Thomas Clines may have lost almost \$1 million when the Nugan Hand bank collapsed. "The police report said that Clines worked for the CIA for 29 years before resigning in 1978. It said that Clines was introduced to Bernie Houghton, a key Nugan Hand employee, in 1979, by General Richard Secord, who is till serving with the US Air Force (ed. note ~he has since resigned). The report said General Secord had known Houghton since 1972 and was responsible for introducing him to another former CIA agent, Ted Shackley. Houghton, Clines and Shackley discussed several business deals but they fell through. The police report states, 'There are claims by two people who should know, that Clines had money invested in Nugan Hand and following the collapse of the group lost close

to a million dollars.' . . . The report said that when Houghton left Australia in June, 1980, he was accompanied by Clines, who had arrived in Sydney a few days earlier. 'It seems that at this time, Houghton was involved with Clines in an attempt to sell Philippine-manufactured jeep-type vehicles to Egypt.'" (SMH 4-4-73). The same report says that the Nugan Hand group supplied weapons to anti-government forces in Rhodesia or Angola and may have been involved in the sale of a spy ship to Iran. These arms deals were apparently plotted with Ed Wilson, who was then a key undercover operative in the Navy's Task Force 157. Police have also identified the man who helped Michael Hand escape from Australia in 1980 as former Green Beret and CIA agent Oswald Spencer (SMH 3-31-83; see above, Intelligence, on Wilson and Secord). A Nugan Hand company appears to have been used as a cover for one of Wilson's Libyan arms deals (TRIB 3-23-83).

Perth tax-avoider and con man Christo Moll has been identified as an associate of Michael Hand and Frank Nugan, whom he allegedly met in Switzerland where they maintained large bank accounts. Moll became an expert courier for hot money from Australia, using former elite members of the British and Australian Special Air Services to do his work (TRIB 9-22-82). Now a former Moll associate has told a South African court that Moll lived on the farm of former South African security chief Brig. Van der Bergh after leaving Australia with \$12 million in debts. Moll allegedly laundered money for South Africa's Bureau of State Security and was "mixed up" in the Muldergate affair involving South African propaganda and dirty tricks abroad (TRIB 3-23-83; Melbourne Age, 3-21-83). Michael Hand may be staying at the same van der Bergh farm (Melbourne Age, 4-2-83).

The political future of the New South Wales Premier, Mr. Wran, is in doubt following the appointment of a Royal Commission to investigate his possible suppression of investigations into the criminal activities of drug traffickers close to Nugan Hand, including William Sinclair (TRIB 5-18-83)

Intelligence. The prestigious weekly National Times began publishing in May a multi-part series of articles on the Australian Security Intelligence Organization, including revelations that it had leaked to the CIA damaging political information about prominent Australians; that it once burgled the home of Liberal Minister William McMahon, who became Prime Minister; that it had failed to receive warnings from the CIA of China's invasion of Vietnam in early 1979; and that Australia was receiving meager dividends from other forms of intelligence cooperation. Before the paper could continue its series, Prime Minister Bob Hawke, citing a threat to the country's international relations and internal security, blocked further publication (NT 5-6-83; SJM 5-7-83; TRIB 5-11-83). However, two weeks later the National Times started up again with reports on illegal communications intercepts by the Defense Signals Directorate taken in some cases without government knowledge (NT 5-20-83).

The new prime minister also expelled from Australia a KGB officer, Valeriy Ivanov, and ordered party faithful to shun former Australian Labor Party secretary David Combe because of his contacts with the Soviet spy. Hawke has invoked a Royal Commission into the security services, and one of its areas of inquiry will be the Combe affair. The Russian had helped Combe arrange trips to the Soviet Union for a number of Labor

Party officials. At one of their meetings, probably bugged by ASIO, Combe offered to turn over material on CIA involvement in Australian politics in 1975; Combe says the material was merely newspaper clips, but the conversation gave ASIO an excuse to turn on him, though Hawke has stated that Combe was never a Soviet spy (SMH 5-13-83; NT 5-13-83; TRIB 5-18-83).

The Ultra File. The Canberra-based Committee for Labor Integrity and Progress has issued a pamphlet, "The Ultra File," detailing the anti-labor, and anti-Labor Party, political machinations of the right-wing National Civic Council; it also considers the role of other organizations, including the CIA-linked Business International, a US owned firm. The booklet, containing reprints of numerous original documents, takes on added significance in light of revelations in the National Times that ASIO handed "copious amounts of intelligence material about people on the left in Australia, including senior officials in the Labor Party" to the National Civic Council. To obtain a copy of the pamphlet, send \$6.25 for airmail shipping to Parapolitics/USA, and delivery from Australia will be arranged.

VI. ITALY

Pope plot

French connection. A New York Times report by Nicholas Gage made the stunning revelation that a Bulgarian diplomatic defector, Iordan Mantarov, told French intelligence that a close friend in Bulgarian state security had given him details of a KGB plan to murder the pope, ostensibly because the pope was feared as a source of further unrest in Poland. A check by Time magazine has found serious lapses in the story; Mantarov did not have diplomatic status, but was merely a technician (the Bulgarians say a lowly mechanic) attached to the commercial section of the Bulgarian embassy in Paris, and he defected on April 11, 1981, before the assassination, not after as claimed. Although these details might cast doubt on the entire story, Time takes them to mean instead that the French knew about the plot in advance. "What makes this speculation important is that Alexandre de Marenches, then head of French intelligence, has said he had solid evidence in late April 1981 that an assassination attempt against the Pope was imminent. He was so confident of his information that he dispatched a pair of deputies to the Vatican to advise papal aides of the plot" (NYT 3-23-83; TIME, 4-4-83; SFC 3-24-83).

Frank Terpil and the KGB. A bizarre account of the events leading to the assassination appears in the new book *Pontiff* by Gordon Thomas and Max Morgan-Witts; in this version, Agca is trained in Libya by renegade CIA agent Frank Terpil, then "controlled" in his assassination by two KGB agents, Teslim Tore (a leftist leader from Agca's home town) and one "Maurizi Folini, a senior KGB agent in the Balkans with good connections to extreme leftist elements in Italy's Red Brigades." (Folini has been accused of being the KGB control for the Italian union leader Luigi Scricciolo. See POIN 12-20-82). The account seems to be particularly informed by Istahak Cahani, identified as an Israeli intelligence agent stationed in Ankara.

Innocent Bulgarians. Critiques of the "Bulgarian connection" theory have been legion, both by Bulgarian defense counsel and independent observers. They focus on the numerous inconsistencies in Agca's story, the implausibility of the alleged Bulgarian controllers staying around in Italy long enough to get caught, and so forth. See particularly Frank Brodhead and Edward Herman, "The KGB Plot to Assassinate the Pope: A Case Study in Free World Disinformation," Covert Action Information Bulletin, no. 19; WP 5-13-83; ABC-TV special, May 12, 1983; TRIB 2-9-83.

Guilty Bulgarians. Nonetheless, problems are growing for the Bulgarians. A second leader of the socialist UIL union and former chief of its foreign bureau, Salvatore Scordo, has at last admitted furnishing secrets to Bulgarian intelligence agents and participating in the plot (which never came off) to kill Lech Walesa in January 1981 ~a plot that Agca also claims to have been involved in (POIN 4-11-83; cf. BG 3-20-83). And evidence is growing of Bulgaria's involvement with right-wing forces, including the Turkish Gray Wolves, in arms deals. Bulgaria allegedly furnished Christian Phalangist forces in Lebanon with arms just before the 1975 civil war, and it supplied anti-communist rebels in Angola with arms through South Africa (WP 5-15-83; LT 2-20-83). On a lesser note, Italian authorities are now accusing Bulgaria of masterminding the smuggling of cigarettes into their country (BG 4-3-83; WP 3-20-83).

CIA assessments. CIA Director William Casey and National Security Adviser William Clark, both hard-line conservatives, now reportedly believe that efforts to find a "Bulgarian connection" behind the pope plot "have run dry" (LAT 5-29-83). NBC reports that top Reagan officials were investigating the Rome CIA station chief and two officers because they refused to stop "discrediting" the Bulgarian connection. NBC suggested that the agents downplayed the connection either because of an alleged "close working relationship" between them and an Italian labor leader arrested as a Bulgarian spy; or because the CIA had infiltrated guns-for-drugs networks to smuggle agents into Eastern Europe (SJM 3-24-83).

Calvi, Ambrosiano, P2

Ambrosiano and the Vatican. Although the Vatican claims it never received funds from Banco Ambrosiano or its late boss, Roberto Calvi, it in fact made \$20 million on what appears to have been a sweetheart deal. The Vatican bank, IOR, sold shares in a company to a Panamanian front, which bought them with money advanced by Ambrosiano. But the front was also secretly controlled by the Vatican and the shares were never delivered (ST 3-6-83). As evidence mounts of Marcinkus's machinations on behalf of IOR with Calvi, the bankers who lost from Ambrosiano's collapse are considering suing the Vatican (ST 3-27-83).

Calvi. The latest theory of Calvi's murder pins the blame on the use of his bank "to help finance left-wing subversion in Latin America." According to Calvi's friend, accountant Pietro Santini, "What he didn't realize until much later was that some of his clients weren't what they represented themselves to be. They actually were transferring millions to revolutionary groups in Central America, Colombia, Brazil, and other places." The article's author, Bernard Kaplan, adds, "Other sources here believe that, if true, this probably points to a link between international revolutionary channels, taking their orders from Moscow, and the deadly Italian crime syndicate known collectively as the Mafia." While the story could be true, it smacks of unsophisticated

disinformation; Calvi's links to Latin America are solidly with the right, through Licio Gelli (see PP/USA/2.1; LAHE 4-10-83). A few days later Kaplan blamed Gelli's attempted sale of Exocet missiles to Argentina on an arms ring "linked to the Soviet Union" (SFE 4-14-83). . .

An anonymous telephone caller from south of France has apparently described in detail how Calvi was murdered by three Italians, according to the Calvi family solicitor, Kingsley Napley. . . . Another family attorney calls Calvi's Sardinian businessman friend Flavio Carboni a potential "suspect" in the banker's death; shortly after Calvi's hanging, Carboni left Britain by a flight from Gatwick airport (south of London) to Scotland, and from there by private plane to the continent; another associate, smuggler Silvano Vittor, jumped on a plane to Austria from Heathrow. Both could be considered fugitives from justice. Carboni proceeded to withdraw some \$20 million from Swiss bank accounts arranged by Calvi, for purposes unknown (LT 3-29-83; GDN 3-29-83).

Sindona. An important, and well-researched account of Michele Sindona's career has appeared in English, Luigi Difonzo's *St. Peter's Banker*. Among other things, the book airs Sindona's claims to have been swindled himself of \$52 million, some of which temporarily ended up with then New York assemblyman Anthony Di Falco. DiFonzo also solves the murder of Giorgio Ambrosoli, an Italian lawyer investigating Sindona's banking frauds. According to this account, Sindona paid William Arico, a Gambino-linked hit man, to threaten Ambrosoli, but Arico went ahead and killed him. Arico's role was revealed to US authorities by Henry Hill, a Lufthansa robbery suspect and narcotics dealer (see PP/USA/2.1) who employed Arico as a drug distributor. See also book excerpt in New York, 4-11-83 and critical review by Andrew Greeley in *NCR*, 5-6-83.

Miscellaneous. "Vatican's Embattled Banker," profile of Archbishop Paul Marcinkus, head of IOR (CT Magazine, 3-13-83). . . . "The Kingdom and the Money," interview with Philadelphia's John Cardinal Krol, one of a 15-member council of cardinals appointed to straighten out the Vatican's finances, on the Sindona-Calvi-Marcinkus scandals (Philadelphia, March 1983).

Italian Mafia, drugs

US/Sicilian Connection. A wave of gangland murders in the US appears to be part of a larger mafia war in Italy for control of the heroin trade. (r) FNSome Italian authorities believe this war between the gangs actually started with a dispute over the disappearance of 20 billion lira entrusted by various bosses to two Sicilian gang chiefs, Stefano Bontade and Toto Inzerillo, for investment in Atlantic City. See ESPR 9-26-82— Two key victims, killed Feb. 2 in Dania, FL, were longtime Gambino and Bonnano family associates, Giuseppe Tramontana and Giuseppe Romano, both of Gainseville and formerly partners in Tony's Pizzeria of Hackettstown, NJ. Tramontana was best man at the second wedding of Tomasso Buscetta, the number two Sicilian gangster and a key link in the 1960s-1970s "French Connection" in Canada and South America (see PP/USA/2.1). Tramontana was involved in drugs and in the illegal smuggling of aliens into the US from Canada (part of a scheme to revive mafia families with fresh Sicilian blood). He and Buscetta were arrested in Dec. 1969 by US Customs authorities, whose investigations quickly linked them to Canadian drug kingpin Frank Cotroni and to Rosario Gambino, since notorious as a Sindona associate and accused heroin trafficker. Other recent murder

victims include: Gambino family associate Gary Richard Francione, killed in West Covina, CA while awaiting trial on drug charges; Calogero DiMaria, a Bonanno family associate from Brooklyn, suspected of assassinating an Italian prosecutor in Palermo; Mary Polizzi Calabria, whose husband has been on the run since being indicted in 1980 with Giuseppe Romano and other Gambino family associates ((probably Rosario Gambino)) on heroin smuggling charges; and two other lesser mobsters. Only one arrest has been made, of Salvatore Rina, a Bonanno hit man suspected of killing Tramontana, Romano, and Francione. Rina was arrested in Nov. 1969 for smuggling aliens from Canada; he was driving a car registered to Tramontana.

The common thread among these victims seems to be Buscetta, who first gained notoriety in 1963 when he killed nine people, including seven policemen, with a car bomb. In 1975 he was indicted in New York for conspiring to smuggle \$200 million in heroin from 1969 to 1972.(r) After a sojourn in Brazil, Buscetta is now said to be back in Sicily, having undergone cosmetic surgery (ESPR 1-30-83). Yet another Buscetta associate, Fortunato Inzone, has been arrested in Florida, and is wanted in Italy on heroin charges (Fort Lauderdale News, 4-11-83; 4-17-83; NYT 2-18-83; The Canadian Connection, *passim*). Italian police have arrested Buscetta partner and French Connection trafficker Carlo Zippo and 19 other Italians on charges of smuggling cocaine and other drugs from Peru and selling them in Peru, France, and other Western European countries (SJM 3-5-83).

Miscellaneous. Leading Italian-American mafia families are suspected of investing money from the heroin trade in land near a NATO base where cruise missiles are scheduled for deployment (CSM 4-26-83). . . Police in Palermo arrested 834 suspects, recovered 291 stolen cars and more than one billion lira in stolen money, plus military rifles, explosives, and drugs in a mass roundup (LT 3-7-83). A suspected mafioso arrested in Palermo in February had a secret US Drug Enforcement Administration report in his possession, prompting suggestions of a DEA mole (GDN 3-7-83). . . A former Lucky Luciano lieutenant, Antonino Sorci, and his son Carlo, both suspected of drug trafficking, were gunned down in Palermo (LT 4-14-83). . . In Rome a bomb blew apart Vincenzo Casillo, right-hand man of Naples Camorra boss Raffaele Cutolo; four days later, three more of Cutolo's men were massacred outside Naples. Cutolo's crime syndicate is under challenge by a gang called New Family (Daily Telegraph, 2-8-83; Sacramento Union, 1-30-83). . .

Terrorism.

London police arrested Luciano Petrone, believed by Spanish and Italian authorities to be the mastermind of a \$15 million bank robbery in Marbella, Spain, last Christmas. Petrone belongs to the Armed Revolutionary Nuclei, one of the most virulent right wing terrorist groups active in the 1970s, whose founder, Stefano Delle Chiaie, is now in Latin America. Police are looking into reports that another Marbella suspect, called "Lucien," had ties to the fascist Ordre Nouveau and to arms smuggling in Lyon (PP/USA/2.1; Interviu, (Madrid) 2-2-83; LAT 1-28-83). . . The Italian Communist Party has raised charges that a coalition of Christian Democratic politicians and members of the secret services conspired to ransom a DC leader, Ciro Cirillo, whom the Red Brigades kidnapped in April 1981. The ransom was allegedly brokered by Camorra

crime boss Rafaele Cutolo (see above), in return for which Cutolo won a slackening of police activities (LT 2-18-83). . .

MISCELLANEOUS

Arms traffic. Police have arrested four men on charges of trying to sell seven surplus C-130 military cargo planes to Libya. Khadafy's attempts to get transports have involved such figures as Robert Vesco, Frank Terpil, and Billy Carter (SJM 6-16-83; 6-17-83). . . A group of international gunrunners, including New York textile businessman Alex Klein, apparently plotted to ship 30 Exocet missiles to Argentina on a fake Sudan end-user certificate (LO 2-20-83).

Rumasa swindle. The Socialist government of Spain has nationalized the country's largest private corporation, Rumasa, after investigators found misreported assets, unpaid taxes, and highly irregular internal lending practices that cut the group's net worth to a mere \$38 million. Rumasa was headed by sherry baron Maria Ruiz-Mateos; his conglomerate encompassed hotels, farming, construction, banking, insurance, and more. Ruiz-Mateos appears to have been a stalking horse for Opus Dei, the powerful Catholic lay secret society (see Jonathan Marshall article, PP/USA/2.1) that backed Franco (ST 4-24-83; ECON 3-5-83; 4-16-83; BW 3-14-83).

Fraud, Bribes. Michele Sindona confidant and former British intelligence agent John McCaffery is in a London jail awaiting extradition to the United States on charges of loan fraud (AC 3-31-83). . . A Philadelphia grand jury indicted Manuel Silverman, a Canadian, for conspiring to defraud investors by dealing in forged J. C. Penny bonds (WSJ 6-2-83). Silverman is a former fraud associate of Lansky bag man John Pullman. Another figure in the Penny bond fraud, mafia-connected Richard Keats, masterminded a giant check fraud against the city of Los Angeles in 1974 (WSJ 4-13-83). . . The SEC is suspending trading in the stock of several Denver companies headed by Richard Goodwin, former president of Manville Corp., the asbestos firm that declared bankruptcy to avoid lawsuits for asbestos-caused illness. No charges have been filed, but the companies look like shell operations (WSJ 2-25-83). . . Six men have been convicted of involvement in a fraudulent coal mining scheme that depended on \$31 million borrowed from Columbus Trust Co., based in Nassau and controlled by Robert Vesco associate Donald Aberle (WSJ 4-21-83). . . Sam P. Wallace Co., a large construction firm whose major shareholder is the Saudi Ghaith Pharaon, has pleaded guilty to paying a \$275,000 bribe to influence the award of a race-track contract in Trinidad (WSJ 2-24-83). . . Drysdale Securities Corp. chairman Joseph Ossorio pleaded guilty to inflating the value of investment accounts worth several million dollars in the name of various offshore corporations (SJM 4-1-83). Fernand Legros, dealer in art fakes and self-proclaimed intriguier extraordinaire, is dead (NYT 4-8-83; Roger Peyrfitte, *La vie extraordinaire de Fernand Legros*). . . John Fedders, enforcement chief for the SEC, is the subject of a grand jury investigation that has been looking into irregularities that led to the indictment in May of Southland Corporation, parent of the 7-Eleven store chain. In earlier law practice, Fedders helped Southland in an internal investigation requested by the SEC (SFC 5-30-83). Fedders also scolded his staff for probing Ashland Oil's bribes in Oman, while his old law firm was deeply involved in the case (WSJ 5-27-83, 5-24-83).