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The Business of Crime

A Documentary Study of Organized Crime in the American Economy

EDITED AND WITH AN INTRODUCTION BY

Alan A. Block

Westview Press

BOULDER • SAN FRANCISCO • OXFORD

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Acknowledgments

The idea for this book came while I was teaching a graduate seminar on organized crime, part of my department's new graduate program in the administration of justice. I was determined to find a work that would both summarize relevant material on the organization of crime as well as introduce students to various kinds of readily available data dealing with organized crime, particularly its entrepreneurial expressions. The task stymied me. There are, of course, numerous excellent monographs on different aspects of organized crime but none that explicitly fulfill my dual purposes. That frustration and the sympathetic ear of Spencer Carr, senior editor at Westview Press, led to this book.

In all my work at The Pennsylvania State University, I have received ample support from Daniel Maier-Katkin, chair of the Department of Administration of Justice. It is he who supplied the critical material necessary for contemporary scholarship and created the environment essential for reflection and writing. My debt to Daniel grows year by year; it is starting to worry me. The department's senior secretary as well as my friend, Melody Lane, typed the manuscript with her usual skill and breakneck speed. Her dependability at meeting even the harshest deadlines is unsurpassed.

Because of the genesis and purpose behind *The Business of Crime*, I would like to dedicate it to that first class of graduate students, especially the indefatigable Lisa Vardzel.

Alan A. Block

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1

Introduction: The Business of Organized Crime

The presence of organized crime in the U.S. industrial economy is undeniable. This book presents primary evidence of this association through an assortment of government documents generated in the past three decades. These edited records form the heart of this work, and I intend to let them speak mostly for themselves. By doing so, I hope to introduce students to the rich cache of material on organized crime available in the government (state and federal) documents section of research libraries, in the libraries and archives of state capitals, and in easily available court documents. Although two complementary purposes--intellectual and pedagogical--are sufficient to warrant this book, I also wish to advance some propositions concerning the interplay of organized crime and U.S. economic institutions in order to provide a context for the documents I've chosen.¹

I have always believed--along with many others--that organized crime is completely enmeshed within the U.S. industrial economy. It is not some sort of peripheral aberration but exerts a force within the many layers of industry. Apocryphal statements attributed to racketeers, such as "We are bigger than General Motors," signify a giant, cohesive organized-crime conspiracy. In fact, leaving aside for the moment the questions of size and overall influence, it has been shown that organized criminals did work closely with one American car giant. This was the Ford Motor Company, whose contact with the underworld was engineered by Ford's security chief, Harry Bennett. Always acting with Henry Ford's blessing, Bennett "positively revelled in making personal contact with the underworld, [his] memoirs are a boastful catalogue of the murderers, racketeers, and extortionists whose friendship he purchased with the funds and influence of the Ford Motor Company."² Among the friends he cultivated was Chester LaMare, a bootlegger and killer who led an important Italian-American gang in Detroit. Bennett gave Crescent Motor Sales, a Ford agency, to LaMare and also granted the racketeer an exclusive franchise to supply fruit to the lunch stands and canteens in Ford plants.

Bennett was certainly bold, once inviting a gangster known as Black Leo (Leonard Cellura) to a luncheon attended by the governor of Michigan. In the East, Bennett contacted New York mobsters Joe Adonis, Sr., and Tony D'Anna and gave them lucrative "franchises to truck Ford cars to dealers on the eastern seaboard."³ Ford biographer Robert Lacey comments, "By the middle of the 1930s, Harry Bennett had woven the Ford Motor Company into a network of underworld connections with hoodlums of largely Italian origin, and the unholy alliance came into its own in the battle which Ford fought against the unions with increasing ferocity as the decade went by."⁴ Mobster control of Ford agencies and distributorships long outlived the violent union-management battles of the 1930s. Professional criminals seek economic opportunities in the same arenas as do many others. Moreover, their typical lack of restraint may be their most appealing quality to those, like Ford and Bennett, who were helped by their violence against unions and were also excited by it.

The involvement of organized criminals in businesses large and small has been noted time and again.⁵ For instance, an investigation into organized crime in New York that began in 1930 inventoried the types of businesses "pervaded" by racketeers: bead, cinder, cloth shrinking, clothing, construction, flower shops, Fulton fish market, funeral, fur dressing, grap, hod carriers, ice, kosher butchers, laundry, leather, live poultry, master barbers, milk, millinery, musical, night patrol, neckwear, newsstands, operating engineers, overall, paper box, paper hangers, shirt makers, taxicabs, waterfront workers, and window cleaners.⁶ New York's economy was overrun by organized crime. Garment manufacturing, one of New York's premier industries, provides a clear example. Key parts of the manufacturing process were gangster controlled, in addition to those mentioned above. Organized criminals regulated the trucking of garments in and out of New York and heavily influenced the industry's trade and labor associations. In 1910, 47 percent of Manhattan's factories manufactured clothing and 46 percent of the city's industrial labor force was employed in that industry.⁷ Add to garment manufacturing the construction and waterfront industries, food distribution, and at least one form of public transportation, to judge just how fully integrated organized crime and the city's economy had become.

If New York in 1930 seems too far removed from the present, then regard the data provided in the fall of 1963 by the Senate's Permanent Subcommittee on Investigations, in the full flush of its "Mafia" counting following the supposed revelations of mob informant Joseph Valachi. The appendix to the hearing record on Organized Crime and Illicit Traffic in Narcotics lists infiltrated firms in finance, waste disposal, food, construction, insurance, liquor, vending, jukeboxes, and several others.⁸ More elaborate information on criminal infiltration into Detroit businesses was provided in Exhibit No. 36, a chart entitled "Some Legitimate Businesses Owned, Infiltrated or Influenced by

the Mafia." Bars, restaurants, real estate companies, bakeries, motels, a barber college, construction firms, metal finishers, tool and die companies, cleaners, food wholesalers, farms, insurance agencies, race tracks, truck companies, warehouses, paving and steel firms, car washes, office buildings, and many other types of enterprises were catalogued from information gathered by the Criminal Information Bureau of the Detroit Police Department.

On the New York waterfront, organized crime's control of the port was manifested through its control of the International Longshoremen's Association (the nation's primary waterfront labor union), several score private businesses, and the major shipping and stevedore companies. For instance, in the 1950s, organized crime chieftain Vito Genovese bought a 49 percent interest for \$245 in the waterfront firm Erb Strapping, "which straps cargo, that is, the placing of steel straps traveling aboard ship, a service incidental to the movement of waterborne freight."⁹ Subsequently, Erb Strapping became a million dollar business, and by the late 1960s it was the "dominant company in the Port of New York in the areas of strapping, coopering and inspection of meats."¹⁰

In the mid-1960s, Erb Strapping's insurance business was turned over to a new company owned by the son of a prominent mobster very closely associated with Genovese. Further investigations by the Waterfront Commission (itself created to combat the racketeers' domination of the port) revealed that a Genovese partner, Peter DeFeo, apparently controlled the house trucker at Pier 13, East River, New York City, and at Port Newark. This outfit had a "monopoly in the trucking of bananas imported into New York City and consigned to jobbers within a 50 mile radius of New York City and somewhat farther on Long Island."¹¹

Other less well known organized crime figures also attempted to mask their activities in legitimate businesses or used firms to squeeze illegal monies from others. The Chet Maintenance Corporation, owned by a former New York police officer and his partner (who was convicted for grand larceny and robbery), is a case in point. It provided jobs for racketeers such as Harold Bell and John Keefe and consistently overbilled shipping companies for phantom employees. Keefe had actually been barred from the New York waterfront years earlier, so notorious were his racketeering activities. That prohibition meant little, however, as Keefe was simply put on the books of the company's affiliate in Baltimore, Maryland.¹²

In the early 1970s, one of the more surprising discussions about the association of organized crime and legitimate businesses occurred when a sports conglomerate known as Emprise Corporation came under scrutiny. Details about Emprise and its subsidiaries, including a firm named Sportservice Corporation, were provided by Congressman Sam Steiger of Arizona and Nevada's Attorney General Lee Johnson. According to the two men, Emprise had a greater hold upon American professional sports than any other entity and

was also joined to organized crime in a variety of ways. In 1970, Congressman Steiger noted that Emprise "controls or owns completely over 450 separate corporate entities in at least 23 states, the District of Columbia, Canada, Puerto Rico, and England."¹³ Emprise developed from "a concessionaire for the Detroit Tigers in 1927 to a present day structure holding concession rights for seven major league baseball clubs, eight professional football teams, four hockey teams, plus concessions at fifty horse and dog tracks throughout the United States."¹⁴ Emprise or its subsidiaries also operated as the concessionaires at approximately three hundred theaters, and at bowling alleys, drive-in theaters, airport restaurants, and air-catering services. In addition, they owned outright a professional basketball team and had obtained an interest in the Montreal Expos.

The Nevada attorney general's investigators noted that Emprise (Sportservice) was a financial "laundromat" for organized crime, providing phony loans to racketeers: "Organized crime . . . is faced with one major consistent problem, that is how to invest its 'bad' or 'black' money in legitimate enterprises. . . . It [is] necessary for these men to hide their interest behind 'loans' ostensibly made to them, which they in turn invest."¹⁵ The investigators uncovered loans and other business arrangements between Emprise and organized crime figures from Detroit, Cleveland, St. Louis, Chicago, Wheeling (West Virginia), Las Vegas, Los Angeles, and New York.

Organized criminal activities are overwhelmingly embedded in enterprises. They mix legitimate and illegitimate interests to wash money, to secure the economic edge this mix provides, and to confuse law enforcement. Even illicit endeavors such as policy (numbers gambling) that may at first glance seem only to need secrecy are commercially covered. In 1944, New York City's Department of Investigation, in a communication to Mayor Fiorello H. LaGuardia that dealt with one of the reportedly largest policy banks operating in the Harlem area, noted that the principals shielded the operation behind their "check cashing business known as Harlem Check Cashing Corp."¹⁶ The corporation was used "as a reservoir" to aid the racketeers in syphoning part of the funds from their policy racket into an outwardly legitimate business.¹⁷

Sophisticated drug smuggling is also conducted through a variety of companies--freight forwarders, import-export firms, travel agencies, and several types of ethnic food businesses. A significant portion of Sicilian-based heroin smuggling in the 1970s was covered in the United States by chains of pizza parlors, including the M. Piancone Pizzerias.¹⁸ The Piancone Pizzerias (primarily in the Northeast, though Piancone was also expanding in and around San Diego shortly before federal agents wrapped up his operations) were also used to facilitate the smuggling of Sicilian gangsters into the United States. In 1978, the Drug Enforcement Administration claimed to have apprehended "over 30 aliens in Piancone owned or franchised establishments" and claimed that

"aliens sponsored by PIANCONE are known to have become involved with arson, mob assassination attempts and large scale narcotic smuggling."¹⁹

Organized Criminals and Violence

The success of organized criminals is contingent upon many factors. The primary one may be their reputation for violence. An important extortion trial in Michigan in the early 1980s confirmed this commonly held belief. Vincent Meli, whose official position was head of public relations for a Detroit steel hauling firm that was central to the racketeering conspiracy, had a reputation of being a member of the Mafia. Testimony about this connection was admitted in evidence in order to allow jurors to evaluate the victims' state of mind. Meli, who was convicted, charged on appeal that the "Mafia" discussion was prejudicial and thus should not have been allowed. The Sixth Circuit Court of Appeals affirmed the conviction by finding reputational evidence admissible.²⁰ As this extortion case illustrated, a person's reputation for violence among clients, associates, and victims can have an affect and can be considered as evidence.

A reputation for violence is naturally not the same as actual violence, and there are some who argue that the reputations of organized criminals for violence are often inflated. In a discussion of loansharking in New York, for instance, Peter Reuter and Jonathan Rubinstein recognized, "violence and . . . threats are generally believed to be the essential and critical operating features of the successful loanshark."²¹ But according to their research, the probability of "intimidation and threat . . . as a central part of the collection procedure for many loansharks" was not very high. Significantly, Reuter and Rubinstein determined that many (perhaps most) loansharks were not organized criminals in the traditional sense, that is, they did not belong to a government-recognized crime syndicate or family. Their sample included "unconnected" criminal lenders with modest ambitions, who did not look to cause trouble, and did not wish to initiate violent methods of collection should borrowers be unreliable. Debtors who did not meet their payments would simply be denied future access to funds.

Reuter and Rubinstein critiqued the more-or-less official characterization of loansharking as an inherently violent, mob-dominated activity. Besides questions raised about formal organized crime involvement, there were other reasons, they reckoned, for misunderstanding the relationship of loansharking and violence. One was the nature of police data. They had no discernible complaint with the material in police intelligence files, only with the clumsy way others drew conclusions based on this information. Reuter and Rubinstein determined that most investigations of loansharking began with a customer complaint that

naturally followed some sort of threat: "The police, therefore, dealt mainly with those loansharks who are prepared to resort to physical violence."²² They contended that people who rely on police data incorporate an important bias concerning loansharks and their activities.

Even this careful work, however, seems to contradict its own interesting premise. When Reuter and Rubinstein finally proposed a definition of loansharking, they listed four basic stipulations. According to one, "threats or violence in the event of the failure of a loanshark borrower to make repayment on time, while not anticipated by the borrower, are certainly understood by him to be a possible consequence of the type of agreement into which he has entered" (emphasis added).²³ This waffling over the issue of violence undercuts their point. Indeed, if borrowers believe the lenders may use violence, then the conclusions drawn from police reports may not be so off the mark as Reuter and Rubinstein suggest. Possibly those borrowers who do not complain have not been threatened only because they are already motivated by the implicit threat always present in these types of agreements. The value of a bad reputation (which Reuter later cogently discussed in Disorganized Crime) operates in these transactions as part of the subscript.²⁴

A more interesting question is how loansharks have gained such helpful bad reputations, if so many are in fact not violent. One answer might lie in comparative data that compare violent encounters in loanshark transactions and in other illicit enterprises. Reuter and Rubinstein's appraisal then could be correct but not very relevant. There may actually be more than enough attendant violence within the loanshark environment to color all of its participants—even the more-or-less nonviolent. The threat of violence is symbolic in any case. Surely, frequent assaults on a significantly large percentage of borrowers would discourage them from participating. It is clear, nevertheless, that there must be enough violent loansharks and mayhem stemming from late payments to create an effective symbol. There are many examples of violent loansharks to support the image.

Let us consider what borrowers contemplating the illicit market might have concluded from a 1984 New York case centering on a leasing firm called Cooper Funding. The U.S. District Court in New York's Southern District charged Cooper Funding's president and fifteen others with racketeering and loansharking.²⁵ It involved figures identified by the government as well-known La Cosa Nostra (LCN) members, such as Vincent Joseph Rotondo. The most important principals, however, were non-Italian racketeers Melvin Cooper, the head of Cooper Funding, Cooper Equities, Etna Leasing Services, and, eventually, Resource Capital; Jesse David Hyman, a dentist with a clinic in Buffalo; and Chaim Gerlitz, a cantor associated with Temple Israel, Great Neck, Long Island, New York. Among the victims of this loanshark group were dress firms, discos, restaurants, and trucking businesses in New York, as well as

garbage businesses located across the nation. The trucking scam worked as follows: Cooper Funding leased trucks at very high interest rates to individuals who were coerced into forming their own trucking businesses. Cooper's trucks "would be of poor mechanical quality and when the individuals leasing the trucks would be unable to perform enough work to keep up with the payments, the trucks would be repossessed and again leased out in a similar manner."²⁶ The supply of reluctant customers was provided by the bosses of the East Coast Truckers Association, Roadmasters Incorporated, and Independent Truckers.²⁷

Violence was this group's stock in trade. Of particular importance was Hyman whose criminal activities, like the rest of those charged in this case, were extremely widespread. Hyman's primary dental practice was a clinic that handled the needs of Local 210 of the Laborers International Union of North America in Buffalo, New York. There was a kickback scheme between Hyman and union officers, some of whom were represented by Buffalo-area organized criminals. Buffalo, though, was not the only area to receive Human's dental attention. The New Jersey Commission of Investigation in an inquiry titled "Organized Crime Infiltration of Dental Care Plan Organizations," stated that Hyman moved money from organized crime gangs in Cleveland, Buffalo, Boston, and New York City into New Jersey dental clinics that were under contract with Teamster locals. Profits, it was found, were "siphoned back to these criminals."²⁸

Hyman and Cooper were convicted of a staggering array of criminal activities. From government wiretaps and electronic bugs, evidence was gathered on the following crimes: "loansharking, advance fee schemes, bank frauds, ERISA [union pension fund] frauds and embezzlements, Taft-Hartley Act violations, money laundering, counterfeit videotapes, narcotics conspiracy, petty larcenies, grand larcenies, bribery, usury, tax frauds, illegal gambling, SBA [Small Business Administration] frauds, perjury, and obstruction of justice."²⁹ To say the least, this was serious organized crime, in which both actual and potential brutality was at the center of affairs.

Two major players in the Buffalo scheme were murdered in 1980 after a government investigation began probing the clinic's affairs. One was killed "shortly after he received immunity to testify before a Federal Grand Jury in the case," the other because he was thought to be an informer.³⁰ In the Cooper Funding/Resource Capital trial, mention was made of yet another homicide. In 1979, during an investigation of Cooper's business activities, Cooper Funding employee Richard Stone, a government informant, was shot several times, stabbed in the chest, and stuffed in the trunk of a cadillac registered to a Cooper company. According to the court transcriptions, violence was so much a part of this complex loanshark group that the government's argument for anonymous jury selection was based on the defendants' record of past violence, including the three murders.³¹ The court was also told that Cooper borrowers were both

threatened and beaten. Concerned for the jury's safety, prosecutors asserted that three of the Cooper Funding defendants, who were also associated with another organized crime group, had been charged in a different case with bribing a juror and witnesses and more ominously, with assassinating two potential witnesses.³² The Cooper defendants had a penchant for mayhem; five of them had past arrests for assault, arson, armed robbery, and battery.

Criminal Conspiracy and Instability

Constant scheming is one of the least "appreciated" characteristics of organized criminals, who exist in a world of daily criminal opportunities. At the most fundamental level, the endless weaving of criminal conspiracies is the meaning of organized crime. Belonging to a crime family or syndicate, or what the government styles *La Cosa Nostra*, suggests an organizational restraint upon the activities of professional criminals that appears quite unlikely. This does not mean that there are no recognizable hierarchies among organized criminals or that there are no boundaries to particular activities. There are some, but they are challenged more often than not; territories and organizations are honored only in the breach. A great deal of criminal opportunity undermines the stability of hierarchies, which leads to ceaseless disputes over rackets and territories. In turn, this competitiveness is often characterized by immoderate instances of murderous treachery, which further frustrates organizational security and permanence.

The life histories of racketeers reveal much violent instability; thus a great deal of anxiety characterizes the environment within which these unbridled capitalists exist. The life and violent death of Gabriel "Gabe" San Felice provides a good example.³³ At the time of his murder in 1978, the 42-year-old San Felice was the secretary-agent of Sano Carting, a garbage company incorporated in March 1966 that operated in Hoboken, Elizabeth, Jersey City, Bayonne, Union City, and Kearny, New Jersey. His wife, Frances, was the company's president. Her relatives were also in private carting businesses and were allegedly close to major organized crime figures who acted as controllers in the region's carting industry. San Felice came to New Jersey by way of Brooklyn, New York, where he had had a fairly heavy criminal record. His application for a private carter's license from the New Jersey Public Utilities Commission discloses San Felice had been convicted of assault and battery in Brooklyn in 1957, 1962, and twice more in 1963. Despite all of these convictions his combined prison time came to only eight months.

The problems for San Felice began in 1972 when Sano Carting moved into areas controlled by other garbage firms that were affiliated with organized crime. Although denied entry to at least one landfill near his new routes, San

Felice continued his expansion. He was subsequently pressured in several ways. Some of his trucks were vandalized, and racketeer leaders of Teamster Local 945 threatened to organize Sano's workers. In response, San Felice contacted Frank Caruso, a personal friend, and important member of the Genovese crime syndicate. Caruso arranged a meeting between San Felice and Ernie Palmeri, the mob leader of Local 945. A deal was worked out, although there was almost immediate cheating. This necessitated another mob meeting, at which Caruso threatened Palmeri.

The situation seemed under control until 1975, when Sano's competitive moves aroused anger once again. In the interim, San Felice's protector, Caruso, had died. Many of Caruso's interests were taken over by Vinnie Mauro, another important Genovese syndicate gangster who had major investments in loansharking and narcotics. San Felice began to pay Mauro a small monthly sum for protection. The change from Caruso to Mauro was not very beneficial. At a subsequent meeting, representatives from competing garbage firms and Palmeri threatened San Felice. At one point, Palmeri pointed at him and told him he was a "dead man."³⁴ San Felice retorted that Palmeri had better watch his own back. The word was soon out that Mauro was advised "to walk away from Gabe San Felice" by another gangster.³⁵ Still, there was no gunplay, possibly because San Felice had not yet run out of organized crime contacts.

This time he turned to Philip "Brother" Moscato, a friend of his wife's family for many years. Moscato, in turn, called on two other New Jersey mobsters to calm the situation. The new players were the notorious Tino Fiumara and John DiGilio. Fiumara, who was placed in charge of peacemaking, told San Felice to return several carting contracts to another carter and to report to racketeer Carmine Franco if he had further problems. For a short while, things did calm down. But then Sano Carting ran into new difficulties.

The Internal Revenue Service claimed San Felice owed over \$25,000 in back taxes. Other, far more pressing, financial problems also surfaced. San Felice was so broke that he stopped paying loanshark Peter Palazotto from Brooklyn. The payments were for a 1972 loan of \$20,000 that turned out to total around \$190,000 in the end. When Sano Carting fell on hard times, San Felice was so broke that he told Palazotto he couldn't pay him any more and then threw him out of his office. San Felice then contacted Moscato again asking for assistance.

A few days after his call, Moscato and Vincent Ravo appeared at the Sano office. Ravo reportedly worked for Moscato as chief enforcer in Moscato's own major loansharking operation. Moscato decided that Ravo would be San Felice's bill collector and would help with any other problems. It was quickly apparent that Ravo was only a temporary solution. Moscato's actual solution came in the spring of 1978, when he offered to buy Sano Carting for what amounted to peanuts. In effect, Moscato would take over the business, paying

San Felice and his wife modest salaries to continue working for the time being. The ungenerous offer was flatly turned down. Angered, Moscato turned away. Shortly afterward, San Felice was shot twice in the head at the Global Landfill in New Jersey.

The Police investigation into the San Felice killing turned up several organized crime figures lining up on different sides of the many disputes, often threatening one another with violence. Interestingly enough, they were primarily members of the Genovese syndicate. This should give pause to those who think organized crime syndicates are unique because they inhibit intra-syndicate violence.

The Historical Background of Organized Crime

Organized Crime is a peculiar variant of corporate or business crime and has a long developmental history in the United States. Observers have tried to discern a pattern in this, with some degree of success. Crime consultant Ralph Salerno, for example, worked out an interesting approach in 1967.³⁶ He believes there is a "classic pattern of organized crime," which reveals itself through an analysis of "two different kinds of violations of law." The first type, "Strategic and Tactical Crimes," does not have an "immediate economic gain." These consist of arson, assault, blackmail, bribery, corruption, coercion, extortion, monopoly, and murder. Such crimes are necessary preparation for organized criminals to then "enter into, dominate and sometimes control to a very considerable degree, illegal businesses and activities" the second type of violations. Among these are cigarette smuggling, counterfeiting, frauds (arson and bankruptcy), gambling, hijacked alcohol distribution, loansharking, narcotics, prostitution, protection rackets, and fencing.

According to Salerno's classic pattern, organized criminals merge the two types of crime in their operations of "legitimate" businesses. They use strategic and tactical methods to obtain "peculiar advantages which the racketeer[s] will enjoy over [their] competitors, and therefore bring a greater profit to [themselves], ILLEGALLY!" Through their expertise, organized criminals reduce free competition, restrain trade, and establish illegal monopolies whenever they can. Typical businesses are auto dealerships, factoring, restaurants and wholesale food distributorships, garment manufacturing, juke boxes and vending machines, nightclubs, trade associations, trucking, and waste disposal. Profits from these endeavors are then mixed with those from illicit activities to form the sums necessary for the final stage of infiltration--big business. Some affected areas that Salerno listed are banking, construction, credit card companies, entertainment, hotels and motels, insurance, mortgages, real estate, labor and financial securities.

Three stages of corruption parallel the progression of organized crime into big business. At the first stage, organized criminals corrupt the criminal justice system. At stage two, the operation of legitimate businesses, the corruption occurs among "licensing agency officials and others employed in supervisory or regulatory agencies." Finally, at the third stage, organized criminals work directly with the highest political officials in the nation, as other leaders in big business have also been doing for decades. Salerno claimed this last step was neither an "over dramatization" nor a "ridiculous conclusion."

The progression of organized crime that Salerno identified is clearly historical. However, an important question must be asked: What definition of organized crime can be used to evaluate Salerno's classic pattern? If organized crime were a singular entity, then this would be the dramatic heart of its history. However, if organized crime is less structured and hierarchical than many suggest, then the pattern or some variant of it would be repeated from one generation of criminals to the next. Consider, for example, La Cosa Nosra, which many believe is a commission of the leaders of twenty-four rather strictly organized Italian-American gangs across the United States. La Cosa Nostra should have reached a commanding position in U.S. life, according to Salerno's theory. What if La Cosa Nostra was more fiction than fact, however, a compound of political and policing necessity given shape and form by academics working with little reliable data? Would a looser structure in the social world of organized crime invalidate the classic pattern? Before these questions can be answered, a discussion of La Cosa Nostra is necessary.

The Question of La Cosa Nostra

Belief in La Cosa Nostra as a nationwide crime syndicate has varied since the early 1960s, when the term first surfaced in the testimony of informant Joe Valachi. This key perception derived from the Senate's Special Committee to Investigate Organized Crime in Interstate Commerce, commonly called the Kefauver Committee after its chairman, Senator Estes Kefauver of Tennessee. The committee's major mark came in the spring of 1951, when it moved to New York for a hearing on the alleged real bosses of organized crime. The New York hearings covered many facets of organized crime, including bookmaking, drug racketeering, political connections, and waterfront crime. The major focus, however, was on the members and structure of a supposedly giant crime syndicate primarily directed by Frank Costello, Joe Adonis, and Meyer Lansky. To penetrate this syndicate the committee utilized the testimony of two primary witnesses, Costello and William O'Dwyer, who had recently retired as mayor of New York. In its report the committee condemned O'Dwyer:

Neither he nor his appointees took any effective action against the top echelons of the gambling, narcotics, waterfront, murder, or bookmaking rackets. In fact, his actions impeded promising investigations of such rackets. His defense of public officials who were derelict in their duties, and his actions in investigations of corruption, and his failure to follow up concrete evidence of organized crime, . . . have contributed to the growth of organized crime, racketeering, and gangsterism in New York City.³⁷

In the halcyon days after World War II, when the United States stood supreme, its major antagonist became the enemy within--the ubiquitous Communist subversive, to which the Kefauver Committee added another type of traitor, the organized criminal. The Kefauver Committee changed the basic view of organized crime, designating organized criminals and criminal syndicates as Organized Crime--the Big Conspiracy. The great fear of subversion that enveloped so many areas of U.S. life in the post-war years worked its influence on crime as well. The big conspiracy was characterized by its national scope and alien origin. The usually submerged issue of ethnicity was brought back into political and criminological discourse. As I have said elsewhere, "the lineal descendant of the Kefauver Committee's conclusions is *La Cosa Nostra*."³⁸

Reuter and Rubinstein noted that the Kefauver conclusions were solidified in a series of Senate hearings over the course of a decade. Then in 1967, President Lyndon Johnson established the Commission on Law Enforcement and the Administration of Justice, which "Provided the most influential endorsement of the Kefauver conclusions."³⁹ Reuter and Rubinstein provided an important insider's view of this commission's work. Organized crime was not one of the commission's original topics but was included "after the FBI argued that organized crime represented a threat to national security."⁴⁰ A so-called task force consisting of only one staff member and a budget of \$30,000 was hastily set up. Several academic consultants were brought on board, and they prepared five papers dealing with different aspects of organized crime. Four of the papers were published, and, as Reuter and Rubinstein have remarked, in view of their subsequent significance, it is vital to grasp the published papers' limitations.

For the purpose of establishing the history and sociology of *La Cosa Nostra*, the paper by Donald Cressey was the most important. Cressey affirmed that "'families' of criminals of Italian and Sicilian descent either operate or control the operation of most of the illicit businesses--including gambling, usury, and the wholesaling of narcotics--in large American cities, and that these 'families' are linked together in a nation-wide cartel and confederation."⁴¹ Though Cressey placed the academic imprimatur on *La Cosa Nostra*, Reuter and Rubinstein questioned his evidence: "Nowhere did he describe the nature of the data on which this conclusion was based or his access to it."⁴² They claimed