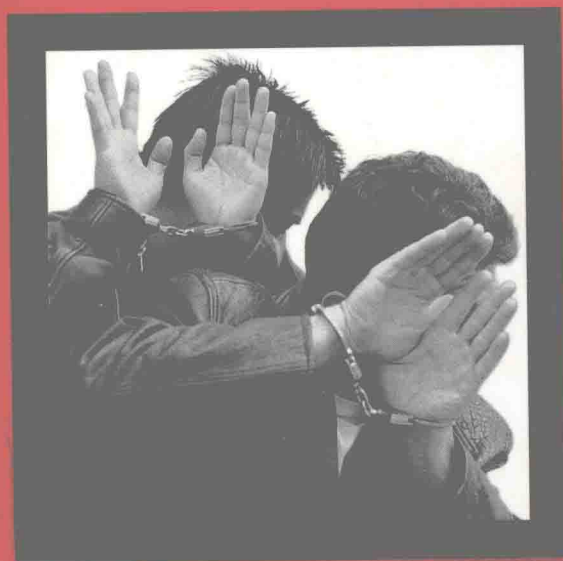


# *The New Ethnic Mobs*

*THE*

*CHANGING  
FACE OF  
ORGANIZED  
CRIME IN  
AMERICA*



**WILLIAM KLEINKNECHT**

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To  
GEORGE AND LOIS KLEINKNECHT,  
whose gifts of love and intellect made this  
book possible

# Preface

**T**his book is about criminals. Although I have attempted to place them in the context of their immigrant or ethnic communities, the reader should bear in mind that they make up a tiny percentage of those communities. The vast majority of immigrants and ethnic minorities in this country are law-abiding citizens who are as outraged by underworld violence as anyone else. Indeed, they are often more outraged, since it is their communities being pillaged by organized crime.

I would also ask the reader not to mistake this work for an argument against immigration. My views are quite to the contrary. I see the last two decades of immigration as having been a wind-fall for urban America, breathing new life into neighborhoods that others had left behind. Most new immigrants came here to work and start businesses, not collect welfare.

This book is the product of more than 100 interviews with law enforcement officials, community leaders, social workers and street sources, most of whom are named in quotations or in the end notes. Despite their generous assistance, they bear no responsibility for the contents of the book, especially since some of the gangsters identified in the text have never been convicted of serious crimes. These sources are too numerous to thank individually, but I owe something to each of them. The Federal Bureau of Investigation, the U.S. Drug Enforcement Administration, and the Bureau of Alcohol, Tobacco and Firearms were particularly generous in giving me access to agents around the country.

I would like to extend special thanks to Sgt. Dan Foley of the San Francisco Police Department's Asian gang task force, who put up with three lengthy interviews. And special thanks should also go to four police investigators who allowed me to ride with their units and see the action firsthand: Sgt. Williams Nevins of the Asian gang squad in Queens; Lt. John Gallo of the Philadelphia police narcotics unit; Lt. Michael Molchan, commander of the detective squad in Lawrence, Mass.; and Detective Mark Nye, a gang investigator in Westminster, Calif.

This book would also not have been possible without enormous help from my agent, Donald Cutler of the Bookmark literary agency in Salem, Mass.; my editor Beth Anderson; Randy Lund, who helped collect newspaper articles from around the country; Hassan Yazdi, who supplied the computer equipment on generous terms; Karl Johnson, who supplied hundreds of articles and years of moral support; and the late editor and publisher of *The Free Press*, Erwin Glikes, who gave this book a chance.

Finally, I would like to thank three people who sacrificed more than anyone else for this project: my wife Margarita and our children, Christopher and Danica.

# Contents

Preface	vii
1: The Criminal Mosaic	1
2: “All That Is Loathsome Is Here”	23
3: Mr. Untouchable	57
4: The Rainbow	75
5: A Myriad of Swords	89
6: Big Brothers	115
7: Four Seas, One Brother	141
8: Born to Kill	175
9: “Get Down or Lay Down”	207
10: The Corporation	235
11: The Organizatsiya	271
12: Mob 2000	287
Notes	307
Index	321

# 1: The Criminal Mosaic

**O**n September 4, 1977, two black automobiles pulled up in front of the Golden Dragon restaurant in San Francisco's Chinatown. It was 2:40 A.M. on a dreary Sunday morning. The morning mist had already settled over the city's hills, and a cool breeze blew the promise of autumn through the streets. But the Golden Dragon's dining room was warm and inviting. The luminous mirrored walls, the crystal chandeliers, the gilt-and-bronze dragons twined fiendishly around the columns all shone brightly through the front windows. The five young men—boys really—who sat in these cars could hear laughter and conversation wafting from the crowded restaurant. They could see the gaiety of the young people, Chinese and whites, as they fiddled with chopsticks and lifted strings of rice noodles to their mouths. But they chose to see none of this. They chose to see only the face of the man they had come to kill.

Slowly and methodically, three of the five men pulled masks over their heads, picked up weapons, and stepped to the sidewalk. They yanked on the mezzanine door and found it locked. They walked the few feet to the main door and entered. Many of the patrons didn't even notice them walk in. Some would say later they thought the initial burst of gunfire was firecrackers. But the assault had begun. The smallest gunman stood just inside



the door and swept the dining room with warning bursts from a .45-caliber machine gun. Some of the bullets shattered a mirror and clipped off sections of a chandelier. Others ripped through tablecloths, splintering glasses and plates. Still others found a home in human flesh. Fong Wong, a 48-year-old waiter with six children waiting for him in his cramped Chinatown apartment, was shot in the chest and mortally wounded. Carolina Sanchez, a young aspiring actress, fled across the room using a chair as shield. One of the heavy .45-caliber slugs tore through the chair and shattered her jaw.

The gunman then spotted his target: a stocky young Asian man in a black jacket who was sitting at a table in the center of the room with three women. He charged the table and resumed his fire. Bullets tore into the victim's head and torso and he crashed to the floor. The woman next to him threw her body on top of him as a shield, but the gunman was relentless. He stood over them and sprayed their bodies with lead. (A pathologist would later testify that he found rows of .45-caliber slugs pinned into the floor.) The gunman stitched another woman at the table from head to toe with bullets, leaving her paralyzed. The fourth he blasted in the face, disfiguring her for life.

Meanwhile, another gunman had walked to the mezzanine and found his own targets. He zeroed in on a table of Chinese teenagers, also wearing black jackets popular with the neighborhood's gang members. He let fly with the thunder of a 12-gauge shotgun. The shells were loaded with buckshot, designed to take down deer and other big game. The bulky pellets swept plates off the teenagers' table and smashed into their heads and faces. One of them, Calvin Fong, 18, was killed instantly. Robert Yuen, also 18, lingered in a hospital bed for a few days before dying.

The rampage took only 90 seconds, but by the time the gunmen fled, the Golden Dragon looked like a slaughterhouse. Pools of blood glistened on carpets littered with broken dishes and overturned tables. The moans of the injured and dying mingled with the horrified screams of onlookers. Sixteen victims lay bleeding on the floor. Three were already dead, and two would

not last long. Several minutes would go by before anyone even noticed Fong Wong, the waiter, lying mortally wounded off to the side. Someone turned him over and saw blood staining his chest. "I'm dying," he said.

Victims told the press it looked like a battlefield, and they weren't far from the truth. The gunmen had been from the Joe Boys, a street gang at war with the rival Wah Ching gang for control of the neighborhood's extortion rackets. Their target was gang leader Michael (Hot Dog) Louie and other members of the Wah Ching gang. But there was only one problem. The Wah Ching were unharmed. They had fled out the back of the Golden



*The Golden Dragon restaurant in San Francisco's Chinatown, where five people were killed and eleven injured on September 4, 1977, in a clash between Chinese gangs. (AP/Wide World)*



*The aftermath of the Golden Dragon massacre. This photograph was taken off a television monitor. (AP/Wide World)*

Dragon before the Joe Boys even got in through the front. Calvin Fong and Robert Yuen were just neighborhood teenagers who happened to be sitting at the next table. The man picked out for execution on the main floor was a Louie look-alike. He was Paul Wada, 25, a Japanese-American student celebrating his graduation from law school with his girlfriend and two of her friends from Seattle. The revenge of the Joe Boys had been visited entirely upon innocents.<sup>1</sup>

For nearly half a century, organized crime in America had been dominated by Italians. Protection rackets, restaurant executions, gang wars—these had been almost exclusively the province of the nation's 24 Mafia families. The Mafia had emerged from Prohibition as the nation's premier crime group, and it spent a good part of the next 40 years getting rid of the competition. Italian criminals not only made an exclusive franchise out of such crimes as narcotics smuggling, gambling, loan-sharking, and extortion; they also put a choke hold on key sectors of the legitimate business world—the docks, the labor unions, the trash haulers, the concrete companies. Criminals from other ethnic groups were forced to stand back and watch, relegated to the lowest rungs of organized crime. Blacks operated illegal numbers games but they turned over their numbers bets to the Mafia. Puerto Ricans sold drugs, but they bought the drugs wholesale from the local mobster. When push came to shove, they all answered to the Italian mob. From New Orleans to Detroit, no major criminal enterprise could operate for any length of time without the Mafia's imprimatur.

But the Golden Dragon massacre signaled the end of the old order in organized crime. The sheer audacity of these Chinese gunmen belied the myth of Mafia supremacy. Not that Chinese gangs posed an immediate threat to the Italian mob. No mafioso watching the news in his social club in Brooklyn or South Philadelphia was likely to have lost any sleep over the massacre. But as a symbol it was awesome—immigrant gangsters invading a restaurant with automatic weapons. America had not seen anything like this since the St. Valentine's Day Massacre in 1929. Gangs like the Wah Ching and the Joe Boys preyed on their immigrant neighborhoods in much the same way as embryonic Italian mobs had in the 1890s. They demanded monthly tribute from restaurants and protected gambling dens—and they were doing it just blocks from an old Mafia stronghold in San Francisco's North Beach section. By the late 1970s, there was barely a mob left in North Beach. But there was one growing fast in Chinatown. Skinny kids in blue jeans and army jackets might not be Hollywood's idea of the gangster. But in a changing America, the

Golden Dragon gunmen spoke more about the future of organized crime than all the graying dons of the Mafia put together.

In the 1980s, while the FBI was locking up the bosses of Mafia families around the country, the Golden Dragon's prophecy was fulfilled. A new wave of ethnic gangsters swept across America's urban landscape. Today, not only are Chinese criminals entrenched in gambling, extortion, and narcotics in at least 19 major North American cities, but a frightening array of other groups has carved up the American underworld. Some of them moved into our cities with all the stealth of a Panzer division. Jamaican "posses," graduates of their country's bloody political wars, murdered more than 1,400 people between 1985 and 1988—many of them independent drug dealers—on their way to controlling the crack trade in ghettos from Washington to Kansas City.<sup>2</sup> Their methods were so brutal and their spread so blatant that law enforcement mobilized and put the most notorious posses out of business by the early 1990s.

But other groups are more insidious, and more likely to play a lasting role in American society. Russian gangsters emerged in Brooklyn's Brighton Beach section in the 1970s and have surpassed even the Mafia in their cunning. Master forgers and confidence men, the Russians have engineered credit-card scams that have netted them millions of dollars. They have also teamed up with the Mafia in gasoline-tax evasion schemes so widespread that federal agencies have assembled task forces to deal with them. Marat Balagula, one of their reputed masterminds, is said to have amassed \$600 million in illicit profits from the bootleg gasoline scam.<sup>3</sup> With the frightening explosion of organized crime in the newly capitalistic nations of Eastern Europe, Russian influence in the American rackets will only grow larger.

José Miguel Battle is a Cuban mob boss whose name is spoken with fear in Hispanic neighborhoods from Florida to New York. And for good reason: He runs the nation's biggest illegal lottery network, a syndicate that stretches up and down the East Coast and controls hundreds of numbers outlets in New York City alone.<sup>4</sup> He is bigger than the legendary numbers kingpin Dutch Schultz, but Dustin Hoffman won't be playing him in a movie.

He is virtually unknown to the public—and to many law enforcement agencies.

Vietnamese robbery and extortion gangs move into cities quickly and without warning. They shake down merchants, terrorize the homes of Asian businessmen, rob jewelry stores—and then get back on the highway. By the time the police investigation gets underway, they are doing the same thing on the other side of the country. A Vietnamese gangster named Trung Chi Truong was typical. In 1987, Truong was living in Lowell, Massachusetts, near the New Hampshire border. But he was linked to a murder in Los Angeles and robberies in Virginia. He did a stint with the Ping On, a Chinese gang in Boston, but was thrown out for being too reckless. By 1992, he was the leader of a Vietnamese gang engaged in a brutal war for control of Toronto's Chinatown.<sup>5</sup>

If organized crime was once a seamless Italian garment, it is now a many-colored tapestry. Dominicans have become the junior partners of the Colombian cartels, controlling wholesale cocaine sales throughout the Northeast. Haitians operate illegal numbers games in Essex County, New Jersey. Vietnamese gangs steal computer chips in Silicon Valley. Korean gangs in Queens, New York, extort money from restaurants and control the traffic of "ice," or smokeable methamphetamine. Ukrainian crime rings steal cars in Chicago and smuggle them to Poland. Gypsy clans perpetrate insurance scams that run for years and amount to millions of dollars. Albanians in the Bronx smuggle heroin and operate gambling halls in partnership with the Italian mob.

In a report to a congressional subcommittee in 1987, the FBI recognized an Arab mob as a close ally of Detroit's Mafia. Christian Iraqis known as Chaldeans are a hard-working people who own hundreds of convenience stores in the Motor City. But among them are drug kingpins, insurance fraud artists, and mob-linked gamblers. They supply some of the Mafia's most dependable bookmakers in the Detroit area and run illegal gambling casinos.<sup>6</sup> One Mafia-linked gambler who was a regular in Detroit-area gambling houses in the 1980s and 1990s was Imad Samouna, known on the street as Chaldean Eddie. Another

Chaldean crime figure, Fred Salem, was a top Detroit bookie suspected of being a key intermediary between the Italian and Chaldean mobs.

For years, experts on organized crime expected black crime groups to succeed the Mafia. After all, they had been linked to the mob as numbers operators for decades and lived in the poorest and most violent neighborhoods. Francis Ianni, a Columbia University professor who studied New York's underworld in the mid-1970s, was the most noted of these "ethnic succession" theorists. His book *The Black Mafia* found that "Italians are leaving or being pushed out of organized crime [and are] being replaced by the next wave of migrants to the city: blacks and Puerto Ricans."<sup>7</sup>

Black criminals *have* found a place in the new matrix of organized crime, though perhaps not the place Ianni and others envisioned 20 years ago. They have not taken control over a broad range of criminal activities or assembled into a few large, well-structured groups like Mafia families or even Chinatown gangs. They operate in small groups and deal almost exclusively in drugs. But that does not mean their threat is less organized or pervasive than Ianni had feared. Black gangs from a handful of big cities—New York, Chicago, Detroit, and Los Angeles—have gained a stranglehold on street-level cocaine dealing in smaller cities around the country. When competition becomes too fierce on their home turf, these gangs head for the American heartland. The Bloods and Crips, infamous Los Angeles street gangs, are as likely to control cocaine sales in Omaha, Nebraska, or Portland, Oregon, as they are in Watts or South Central Los Angeles. Detroit gangs handle most of the cocaine peddling in Columbus, Ohio, Fort Wayne, Indiana, and even as far away as Chester, Pennsylvania. Brooklyn drug gangs have invaded smaller communities across New York State, and are the dominant street cocaine peddlers in cities as far south as Washington, D.C.

These drug gangs spread violence like a virus. Many small-town police have beefed up manpower and formed special units to deal with the invaders. "These guys are a lot more violent than our local drug dealers," said Sergeant William Gavin, supervisor

of intelligence for the Syracuse police. “We used to go a week with one or two shootings. Now we get five or ten a night.”<sup>8</sup>

This new plethora of crime groups is the dark side of what former New York Mayor David Dinkins called the “gorgeous mosaic,” the melange of races and ethnic groups that have recently flooded the nation’s major cities. In the 1980s, immigrants poured into this country in greater numbers than at any time since the turn of the century. Between 1982 and 1989, 685,000 legal immigrants settled in New York City alone; perhaps another 200,000 came there illegally.

And California is bursting at the seams. The state’s population grew by a staggering 6.1 million in the 1980s, and experts said that 37 percent of the newcomers were immigrants. (Much of the rest of the increase was due to the high birth rate of Hispanics.) More than 100,000 Vietnamese live in Orange County alone.

Despite the backlash against immigration that has been building around the country in the last decade—spurred on by events like the bombing of the World Trade Center in February 1993—immigration has been a boon for older cities like Boston, New York, and Chicago, helping to stem their population losses and bringing a new spirit of entrepreneurship to many depressed neighborhoods. Sections of the South Bronx that were bombed-out war zones in the 1970s have been reinvigorated by Dominican immigrants, who have moved in and opened video stores, beauty salons and small grocery stores known as bodegas. But immigration has also had its price. Some of these immigrants brought with them the criminal traditions of their countries, planting them in fertile ground in the teeming ethnic ghettos of American cities.

The most fascinating aspect of this new ethnic diversity in organized crime is how closely it parallels the underworld at the turn of the century, a period like our own in that it had seen America transformed by immigration. The Irish syndicates that had dominated racketeering in many cities in the latter half of the 19th century found themselves crowded by gangs of Italian and Jewish newcomers. As crime groups battled for control of the enormous bootlegging profits that flowed out of Prohibition, the nation saw the bloodiest gangland battles in its history.



The Mafia's emergence in the 1930s as the preeminent crime group brought stability to the rackets, helping to quell the gangland violence that had made the previous decade so sensational. By upsetting that stability, today's diverse crop of immigrant and minority gangsters has brought anarchy back to the underworld and ushered in an era of more gangland violence than the nation has ever seen before.

Indeed, the 1980s was a decade so drenched in blood that it made the Roaring Twenties look quaint by comparison. But the wars this time were over drugs instead of illegal booze—and we have no such magic wand as the lifting of Prohibition to bring them to an end. Drugs are the single biggest force behind the spread of new crime groups. The rulers of the syndicates behind the spread of crack in the mid-1980s were not Mafia dons but the bosses of the Colombian drug cartels. Drug barons like the late Pablo Escobar of the Medellín cartel and José Santa Cruz Londono of the Cali cartel smuggled tons of cocaine into the United States every year, earning profits that Mafia bosses could only dream about. One oft-cited estimate put the cartels' take at \$10 billion to \$14 billion a year.<sup>9</sup> To bring in that kind of money, they need multiethnic armies to distribute the cocaine once it arrives in the United States. Those armies are behind the epidemic of drugs, guns, and violence that has engulfed our nation's cities.

Some of the episodes of violence associated with drug gangs over the last decade have been mind-boggling. One such incident took place in 1987, after a notorious Jamaican posse known as the Spanglers had literally taken over two blocks of Edgecombe Avenue in Harlem. The posse was peddling crack from almost every apartment between 142nd and 144th streets. One spring afternoon, a police car drove up Edgecombe and—to the horror of two officers—saw what appeared to be a group of men playing soccer with a human head. The head belonged to a young drug buyer who had been caught trying to slip two extra “rocks” of crack into his pocket while making a purchase. In inimitable posse fashion, Spangler soldiers dismembered the thief in a bathtub—the posses call it being “jointed”—put the pieces in a bag and dumped them into a garbage dumpster. There a hapless