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OBJECTIVE II: To determine whether Marcello, either alone or with other Organized Crime figures, killed the President because of a crackdown against Organized Crime initiated by the Kennedy Administration.

KING SUBCOMMITTEE

OBJECTIVE III: To determine the extent of Carlos Marcello's knowledge of Frank Liberto's alleged participation in the assassination of Dr. King.

OBJECTIVE IV: To determine the extent of Marcello's knowledge of James Earl Ray's activities in New Orleans.

OBJECTIVE V: To determine the relationship of Marcello with associates or relatives of James Earl Ray.

OBJECTIVE VI: To determine Marcello's association with or knowledge of the possible participation of white hate groups in the assassination of Dr. King.

PROCEDURE FOR KENNEDY AND KING
SUBCOMMITTEE HEARINGS

1. The Chairman should recognize Elizabeth Berning, Clerk of the Committee, to read for the record those Members who are officially designated to be on the Subcommittee today, pursuant to Committee Rule 12.3.

2. The hearing should go into Executive Session.

There should be a motion:

that today's hearing and one subsequent day of hearing be held in Executive Session since on the basis of information obtained by the Committee, the Committee believes the evidence or testimony may tend to defame, degrade, or incriminate people, and consequently Section 2(K)(5) of Rule 11 of the Rules of the House and Committee Rule 3.3(5), require such hearings be in Executive Session.

There must be three Members present to vote on this motion.

A rollcall vote should be taken.

3. The Chairman should swear the witness at this time. He should state that he understands a copy of our Rules have already been given to the witness. He should ask the witness if this is true. The Chairman should

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state that the witness is appearing pursuant to subpoena.

4. The Chairman should give a brief statement concerning the subject of the investigation. He should state that House Resolution 222 mandates the Committee

"to conduct a full and complete investigation and study of the circumstances surrounding the assassination and death of President John F.

Kennedy" [Dr. Martin Luther King, Jr.], including determining whether the existing laws of the United States concerning the protection of the President and the investigatory jurisdiction and capability of agencies and departments are adequate in their provisions and enforcement, and whether there was full disclosure of evidence and information among agencies and departments of the United States Government, and whether any evidence or information not in the possession of an agency or department would have been of assistance in investigating the assassination, and why such information was not provided or collected by that agency or department, . . . and to make recommendations to the House . . . if the Select Committee deems it appropriate for the amendment

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of existing legislation or the enactment of new legislation.

5. The questioning of the witness may now proceed.

6. If the witness takes the Fifth Amendment to a question, and the Committee desires to immunize the witness, the Chairman should give the witness a copy of Judge Bryant's order immunizing the witness and compelling testimony from him. The witness should now be directed to answer the question that was propounded.

7. Pursuant to Committee Rule 3.5, any objection of the witness or witness' counsel must be specifically ruled upon by the Chairman. The witness should be directed to answer the question if the Chairman believes the witness is improperly refusing to answer. Should the witness object on the grounds of pertinency, he should be given a brief explanation of the pertinency of the question and then directed to answer it.

8. At the conclusion of the questioning of the witness, pursuant to Rule 3.6 of the Committee, the Chairman should offer the witness and/or his counsel five minutes to explain or amplify the witness' testimony.

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9. The witness should be informed that he is under the continuing subpoena of the Committee, and subject to the call of the Chair at a future date.

GENERAL OBJECTIVE OF HEARING

This first session with Marcello has the limited purpose of obtaining Marcello's direct testimony in each of the areas in which he may have been involved or of which he may have knowledge. No detailed cross-examination will be attempted. If deemed appropriate, Marcello's answers will then be tested by further investigation over the course of the next six months. At that time, Marcello may be recalled to probe the veracity and accuracy of his testimony at the first session.

GENERAL BACKGROUND ON CARLOS MARCELLO

Carlos Marcello is reputed to be, as he was at the time of both the Kennedy and King assassinations, the head of organized crime in the New Orleans area. The bulk of Marcello's income during the period of the assassination derived from gambling and real estate investments. Marcello is also alleged to have had substantial control over state and local government officials in Louisiana. A number of law enforcement officers in Jefferson Parish are considered to be on his payroll.

Marcello was born on February 6, 1910 at Tunis, Africa. The failure of his parents to have Carlos naturalized when they arrived in New Orleans on October 11, 1910 has left Marcello vulnerable to possible deportation, a battle he has been fighting since 1952. Marcello grew up in Jefferson Parish, on the outskirts of New Orleans, as a petty hoodlum. He was convicted of assault and robbery in 1929 and of the sale of marijuana in 1938. Since that time, Marcello has not been convicted of a crime except for 1968 when he was convicted of assaulting an FBI agent.

It has been alleged that Marcello received his first opportunities in organized crime from Meyer Lansky, who gave him a percentage of the slot machines in New Orleans. In the forties, Marcello used the Jefferson Music Co. as a front for handling the distribution of slot and pinball machines. Along with Mafia members Lansky, Phil Kastel, and Frank Costello, he also obtained an interest in the Beverly Club, a plush gambling casino in Jefferson Parish. In 1947, when New Orleans Mafia boss Sam Corollo was deported, Marcello acceded to Corollo's throne. FBI files indicate that Marcello's primary source of illegal revenue was a local gambling network operated

by his six younger brothers - primarily Joseph and Vincent - and lieutenants Joe Porretto and Nofio Pecora. Surprisingly, however, the preponderance of material in the FBI files on Marcello in the late fifties and the sixties pertains to Marcello's ostensibly legitimate real estate transactions. The files reflect relatively little organized crime activity, although it is alleged his investments in real estate are a method of "laundering" money for other mafia families.

When Robert Kennedy became Attorney General in 1961 under his brother's administration, Marcello was targeted as one of the organized crime figures against which the Justice Department was to launch an unprecedented onslaught. On April 4, 1961, Marcello was deported to Guatemala in a manner which he allegedly described to associates as a "kidnapping." Approximately 2 to 3 months later, he clandestinely re-entered the United States. The crackdown of the Kennedy Justice Department allegedly infuriated Marcello. At his retreat at Churchill Farms in September of 1962, Marcello is alleged to have complained to a meeting of his associates that Bobby Kennedy was a "stone" in his shoe and to have assured the group that both Kennedys would be killed.

OBJECTIVE I. To determine whether Carlos Marcello and other Organized Crime Figures, because of their business interests in Cuba prior to the rise of Castro, were involved in killing the President in order to reverse American policy towards Cuba.

FACTUAL BACKGROUND

A. Organized Crime Interests in Pre-Castro Cuba

Although there are numerous rumors to the contrary, there is no firm evidence that Marcello had any substantial business interests in Cuba. If Marcello had business interests in Cuba, they would most likely involve gambling or narcotics. It is known that two of his closest associates in the Mafia, Meyer Lansky and Santos Trafficante, had substantial Cuban business interests. It will be necessary to probe Marcello's relationship with them to determine both whether Marcello had Cuban business interests or whether they solicited Marcello's aid in an attempt to recover their financial losses in Cuba.

B. Marcello's Participation In or Awareness of Assassination Plots Against Castro

The Schweiker Report emphasizes that the Mafia-CIA plots against Castro suggest the possibilities

that either (1) Castro used organized crime in the assassination of President Kennedy as a form of retaliation or (2) that organized crime was motivated to assassinate President Kennedy as an alternative method to effect a change in the Cuban government. To probe hypothesis number 1, Marcello will be questioned about his relationship, if any, with Castro. To probe hypothesis number 2, Marcello will be questioned to determine whether he was involved or knew of CIA-Mafia plots to assassinate Castro. There is no firm evidence that Marcello had a relationship with Castro or participated in the Mafia-CIA plots.

C. Marcello's Participation In or Knowledge of Anti-Castro Groups Based in New Orleans

New Orleans was a center of anti-Castro activity. Several groups of anti-Castro Cubans trained at Lake Ponchartrain for raids on Cuba. Marcello's close friend, Nick Popich, owned land along the lake which was used as a training camp. Furthermore, it is alleged that organized crime supplied guns to many of the anti-Castro groups. It is rumored that Marcello's criminal attorney at that time, G. Wray Gill, Sr. supplied funds to some of these groups. In addition to the

groups actively training at Lake Ponchartrain, Marcello appears to have associates who have ties to New Orleans Cuban exiles. Marcello should be questioned about his relationship with these individuals and organizations.

A. Organized Crime Investment in Pre-Castro Cuba

1. Visits to Cuba prior to 1960
2. Nature and Extent of Business Interests, Including Partners
 - a. gambling-casinos, dog or race tracks
 - b. hotels
 - c. narcotics
 - 1) meeting with Carl Noll discussing shipments of heroin to Norman Rothman at Sans Souci
 - 2) meeting with Joe LaPiccolo in 1956 regarding Cuban/Guatemala heroin
3. Nature of Relationship with Organized Crime Individuals Who Had Substantial Investments In Cuba
 - a. Meyer Lansky
 - b. Lewis McWillie
 - c. Mike and William McLaney
 - d. Norman Rothman
 - e. Santo Trafficante
 - La Stella meeting
 - Doctor in New Orleans
 - f. Frank Sturgis
 - g. Charles Tourine

B. Marcello's Participation In or Awareness of Assassination Plots Against Castro

1. Knowledge of Mafia-CIA Plots
 - a. from Santo Trafficante, John Roselli, Sam Giancana, Robert Maheu
 - b. awareness of any U. S. government plot to assassinate Castro
2. Awareness of other plots to assassinate Castro
 - a. Knowledge of Sam Benton, Ed Arthur, Marcus Perez Jimenez (alleged meeting in Miami to discuss hit on Castro. Benton says must check with man in New Orleans)
3. Nature and Extent, if any, of dealings with Castro 1960-1963
 - a. personal
 - b. business

-Cuba as narcotics supplier

-arms shipments

C. Marcello's knowledge of or participation in Anti-Castro groups based in New Orleans

1. Training Camps at Lake Ponchartrain
 - a. 7 Crowns Ranch (owned by Nick Popich in 1963, subsequently by Sam Marcello)
 - b. Supplying arms

-Munitions raid on Bill McClaney's property - Sam Benton arrested

c. Supplying funds

-G. Wray Gill allegedly transferred funds to Cuban groups.

2. Association with groups based in New Orleans

a. Cuban Revolutionary Democratic Fund (FRD)

- 1) Arcacha Smith -(head of FRD, associate of David Ferrie)
- 2) William Dalzell
- 3) Proposed trade: Cuban citizenship and gambling concession for \$200,000

b. Cuban Revolutionary Council (CRC)

- 1) Manuel Gil (head - arranged Oswald - Carlos Bringuier debate)

c. Information Council of the Americas (INCA)

- 1) Ed Butler (head, participated in Oswald-Bringuier debate)
- 2) Seymour Weiss (charter member, Director of Standard Fruit)
- 3) William I. Monaghan (Oswald associate, Standard Fruit)

OBJECTIVE II. To determine whether Marcello, either alone or with other organized crime figures, killed the President because of a crackdown against Organized Crime initiated by the Kennedy Administration?

FACTUAL BACKGROUND

A. Organized Criminal Activity

The Kennedy Administration crackdown on organized crime was focused on targeting particular individuals for investigation and prosecution. To evaluate Marcello's reaction to being made a "target" of the Kennedy Administration, it is necessary to determine what the loss to Marcello and other organized crime leaders would have been had Kennedy succeeded. Marcello's illegal activities were allegedly centered around gambling and possibly narcotics. He is alleged to have said he could close down "50 - 75%" of the handbooks in Jefferson Parrish if he so desired. FBI informants indicate he may have extensive dealings in narcotics, particularly from Guatemala and Honduras.

B. Marcello Deportation Case and David Ferrie

The aspect of the Justice Department's crackdown on organized crime which would have most obviously raised the ire of Marcello towards the Kennedys was

Marcello's deportation to Guatemala. The Immigration and Naturalization Service in 1952 first began its efforts to deport Marcello as an undesirable on the basis of his 1938 marijuana conviction. The dilatory legal tactics of Marcello's attorney, Jack Wasserman, enabled Marcello to remain in the United States until 1961. Since the status of "deportability" requires that a country be willing to accept a deportee, Marcello directed much of his delaying tactics to assuring that no country would accept him. He initiated legal proceedings in Italy, bribed Italian attorneys and officials, and allegedly submitted a forged Guatemalan birth certificate to the Italian Consul in New Orleans as a last-ditch effort to forestall deportation to Italy.

When Robert Kennedy became Attorney General at the outset of 1961, stories appeared in the New Orleans press that Kennedy would act to expedite Marcello's deportation. INS finally seized on the forged Guatemalan birth certificate to effect his deportation to Guatemala. On April 4, 1961, Marcello was driven by his attorney, Phil Smith, to the New Orleans INS office to make his required quarterly report on his whereabouts. When Marcello entered the office, he was handcuffed by two agents, driven to the airport,

placed alone on an INS plane, and flown to Guatemala. Although his attorney was permitted to accompany Marcello to the airport, Marcello's plane took off while the attorney was running across the runway in an effort to make a phone call to set in motion legal proceedings.

Marcello re-entered the United States approximately two months after his deportation; his method of re-entry remains a mystery. Marcello alleges he took a commercial flight through Miami, but INS officials doubt this. It is alleged he may have been flown in from Guatemala by David Ferrie in a private plane. Ferrie did work as an investigator for Marcello's attorney on Marcello's case after he re-entered the country.

David Ferrie has been a central figure in the assassination case. Two days after the assassination, he was arrested in New Orleans based upon allegations that he knew Oswald, trained him for the assassination, and was to fly Oswald out of the country after the assassination. Oswald had David Ferrie's library card in his possession when he was arrested.

Ferrie also has been linked to Jack Ruby. On

September 24, 1963, Ferrie called Jean West in Chicago. On November 21, 1963, Ruby met Jean West and Lawrence Mayers in Dallas.

Ferrie also has significant ties to the Cuban groups in New Orleans. He worked as an investigator for Guy Bannister at 544 Camp Street. Bannister had substantial involvement with Cuban groups. 544 Camp Street was the headquarters for several Cuban groups, including FRD, CRC and others. It also was the address listed on the Cuban literature Oswald distributed in New Orleans.

C. Financing of Marcello's Real Estate Transactions Through Teamster Pension Funds

A major aspect of the Kennedy Justice Department's offensive against organized crime was Robert Kennedy's indefatigable effort to prosecute Jimmy Hoffa. The Teamster Pension Fund was a primary source of capital for projects constructed by organized crime, and it was Hoffa who controlled the diversion of those funds. If organized crime was motivated to order the assassination as a response to the Justice Department crackdown, Bobby Kennedy's drive against Hoffa to deprive the Mafia of its source of funds would have been a component element of that motive.

There is some reason to suspect that Marcello participated in an organized crime effort to save Hoffa. First, there are allegations that Marcello spearheaded a massive effort in the mid-to-late sixties to free Hoffa, including offering a million dollar bribe to Edward Grady Partin, the main witness against Hoffa, to change Partin's testimony. Second, Marcello, with his many investments in motels, clubs and restaurants, is alleged to be organized crime's "real estate man." It is likely that when Teamster Funds were channeled to organized crime, Marcello would have received a piece of the action, especially in New Orleans projects. While the FBI files do not reflect an influx of Teamster money behind Marcello acquisitions prior to the assassination, there are isolated reports that Marcello obtained a piece of the Fontainebleu Hotel in New Orleans with a \$2,000,000 Pension Fund loan.

To evaluate this hypothesis, it is necessary to ascertain Marcello's relationship with Hoffa and his lieutenants, examine a sample of his real estate holdings prior to the assassination, determine whether he received Teamster funds to obtain those holdings and probe Marcello's machinations to save Hoffa subsequent

to the assassination. It may also be fruitful to determine whether Marcello knew the myriad of Teamster lieutenants who were associated with Jack Ruby, particularly those with whom Ruby was in telephonic communication a month before the assassination.

A. Organized Criminal Activity

1. Marcello's perception of himself as "target",
1960-1963
 - a. increased surveillance
 - b. discussions with Giancana, Roselli,
Trafficante, Angelo Bruno, Sam Mannarino,
Joe Civello, Nick Civella re: Kennedy's
program
 - c. verify or deny Churchill Farms threat
against Kennedy
2. Extent of Gambling Activities
 - a. verify or deny remark to Edmonds
(President of Jefferson Parish Racetrack)
that he could close down 50 to 75% of
handbooks in Jefferson Parish)
3. Nature and Extent of Dealings in Narcotics
in Guatemala and Cuba.
 - a. Knowledge of James Culotta - owner of
American Analytical Laboratories.
Alleged meeting dealing with narcotics
4. Extortion
 - a. Jukeboxes
 - b. Explore allegation that Eastern Airline
pilots delivered protection money to him
from Chicago and New York.

B. Marcello Deportation Case and David Ferrie

1. Background of Deportation Case
 - a. narrate protracted litigation
 - b. no country would accept him -
use of Guatemala birth certificate
2. Events of deportation day
3. Return to U. S.
 - a. legal claims filed by Marcello
 - b. legal claims filed against Marcello
 - c. Method of re-entry
 - 1) nature of relationship with Felice Golino (shrimp boat owner)
 - 2) nature of relationship with Leon Porier (accountant for Marcello, pilot)
 - 3) Did David Ferrie Fly him back
 - 4) Nature of relationship with Ferrie
 - 5) Marcello aid in Eastern Airline suit of Ferrie?
 - 6) Ferrie in court with Marcello on day of assassination
4. Nature and Extent of Marcello's relationships with Ferrie Associates
 - a. Guy Bannister (private investigator, office at 544 Camp, worked with Gill and

- Ferrie on Marcello's defense to charge of defrauding the government; active with Cuban groups in New Orleans)
- b. Clay Shaw (businessman indicted by Garrison)
 - c. Jack Martin (detective in Bannister agency; originally implicated Ferrie in assassination)
 - d. Dealings of Marcello with Unions located at 544 Camp Street
 - 1) local AFL - CIO Hotel and Restaurant Employees and Bartenders
 - 2) AFL-CIO Retail and Wholesale Department Store
 - 3) Transport Workers Union of America
AFL - CIO
 - 4) United Packing House Food and Allied Workers Union Local 591 AFL-CIO
 - e. Jim Braden (alleged courier for Meyer Lansky; arrested in Dallas as "suspicious" the day of assassination; worked in New Orleans in same building as Ferrie)
 - f. Lawrence Meyer (visits Ruby with brother Ed Meyer and Jean West night before assassination. Ferrie had phoned West September 24, 1963)

g. Jack Ruby

- 1) relationship with Peter Guarisco
(owner of Hub Club, allegedly built
with Marcello loan)
- 2) explore allegation Ruby and Marcello
gambled together at Hub Club in Morgan
City

h. Lee Harvey Oswald

i. Explore relationship with Jim Garrison

- 1) payment or gifts - Did Frank Occhipriti
(Marcello front man) build home for
Garrison at reduced rate?
 - Knowledge of Mario Marino? Verify or
deny allegation that Marcello instructed
Marino to pick up bill for Garrison's
stay at Las Vegas hotel
 - any offers of kickbacks to Garrison
in an effort to keep clubs open
- 2) Discussions with Garrison concerning
investigation?
 - meetings with Pershing Gervais (Garrison
investigator)
- 3) Meetings in Las Vegas with Garrison,
Edward P. Morgan, Robert Maheu, Hawk Greenspan,
and John Rosselli (1967).

