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Via AIRTEL AIR MAIL - REGISTERED
(Priority)

TO: DIRECTOR, FBI (92-6054)
FROM: SAC, SAN DIEGO (92-229) (P)

LA COSA NOSTRA
AR - CONSPIRACY
(OO: New York)

Re San Diego airtel to Bureau dated 5/4/67.

SD 1064-C-TE was re-contacted 5/25/67 and again on 6/6/67 by Special Agents EDWARD MARI and JOHN D. ARMSTRONG and furnished the following information on members of the La Cosa Nostra (LCN):

I. CHICAGO LCN FAMILY

Stated SAM GIANCANA, to his knowledge, is residing indefinitely in Mexico. Stated he did not know his exact

- 3 - Bureau (AM-REGISTERED)
- 2 - New York (92-2300) (AM-REGISTERED)
- 2 - Detroit (92-914) (AM-REGISTERED)
- 2 - San Francisco (92-593) (AM-REGISTERED)
- 2 - Chicago (92-1173) (AM-REGISTERED)
- 2 - Las Vegas (92-625) (AM-REGISTERED)
- 2 - Cleveland (92-748) (AM-REGISTERED)
- 2 - Los Angeles (92-1112) (AM-REGISTERED)
- 2 - St. Louis (AM-REGISTERED)
- 2 - Tampa (92-218) (AM-REGISTERED)
- 2 - Miami (92-853) (AM-REGISTERED)
- 2 - Milwaukee (AM-REGISTERED)
- 1 - Kansas City (Info) (AM-REGISTERED)
- 1 - New Orleans (Info) (AM-REGISTERED)
- 1 - Phoenix (Info) (AM-REGISTERED)
- 3 - San Diego (2 - 92-229) (1 - 137-1088)

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JUN 12 1967

JDA:cjf
(31)

Edward Mari
John D. Armstrong
Richard [unclear]
W. [unclear]
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Approved: _____
Special Agent in Charge

Sent _____

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II. DETROIT LCN FAMILY

In regard to background on formation of the Detroit Family, talked in general terms about the bootlegging, gang fighting between themselves, until finally the Detroit Family as it is today emerged as a result of an alliance and that to his knowledge the Detroit Family is run by JOE ZERILLI, JOHN PRIZIOLA, and BLACK BILL TOCCO, with ZERILLI making all the final decisions. Stated PETE LICAVOLI of Tucson is still active in Detroit Family affairs and is consulted.

Stated Detroit attorney BILL BUFFALINO, to his knowledge, is not an LCN member. Believed he was married to FRANK MELI's daughter - a niece of LCN member, ANGELO MELI. Informant stated BUFFALINO was hand picked by the Detroit Family to work with JIMMY HOFFA and that BUFFALINO is a legal and business consultant with the Detroit Family leadership, especially in regard to Teamster loans.

In regard to PAPA JOHN PRIZIOLA, informant stated he is back in Detroit and is in fairly good shape after his recent heart trouble while in San Diego. Believes from talking to PRIZIOLA's sons-in-law, JOE AND FRANK MATRANGA in San Diego, there have been some subpoenas issued in Detroit which have been brought to PRIZIOLA's attention. Informant did not know the nature of the subpoenas, but believes they have been served on some of the LCN members in that area.

Believes the Detroit Family to date has kept all of the points in the New Frontier Hotel in Las Vegas, which has cost the Detroit Family around five million dollars and that at the present time they are attempting to raise an additional \$400,000.

III. TAMPA AND MIAMI LCN FAMILIES

Per request of Tampa's letter to San Diego 5/25/67 entitled FRANK DIECIDUE - AR, informant advised that he is an LCN member who was made about 1939, probably by STEVE ITALIANO (now deceased). Believes that FRANK DIECIDUE has a brother, TONY DIECIDUE, and believed he was also a member. Recalled

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VII. NEW YORK

Stated he has not heard of any change in the physical condition of Boss TOM LUCHESE.

In regard to JOE BONNANO, informant claimed his son had arranged for the kidnapping and the kidnapping was a "phony" which only a few people knew about. Informant denied having any intimate knowledge of BONNANO's "kidnapping". Informant stated he has received no official word through LCN circles that BONNANO has been received back into the LCN in good standing.

Informant talked in a way to indicate a distinct relationship between the Los Angeles LCN Family and the Family headed by TOM LUCHESE in New York. Described how several years ago he and JACK I. DRAGNA, deceased Los Angeles LCN Boss, had decided with some of the other "Capos" that they did not want anything to do with narcotics. Stated DRAGNA was opposed to narcotics and his main argument was that the LCN hoodlums had children of their own who might become involved as addicts. DRAGNA and informant apparently were upset over the use of the Baja California, Mexico, Border by LCN narcotic activity. He described how he and DRAGNA personally went back to New York to present their ideas to LUCHESE for LUCHESE to present to the Commission. The way the informant phrased his words indicated a special relationship with the LUCHESE family.

The informant reminisced about past LCN activities in the New York area. Described how DUTCH SCHULTZ was going to kill THOMAS DEWEY years ago when DEWEY was an Assistant District Attorney and that LUCKY LUCIANO stopped SCHULTZ and DEWEY knew about it. Informant indicated SCHULTZ was killed over this and that DEWEY knew he owed his life to LUCIANO and that this was the main reason LUCIANO was freed and deported when DEWEY became Governor.

In regard to the informant's statement of a past U. S. Senator from New York being an LCN member, he stated that on thinking it over, he might have been wrong and it might have been a U. S. Congressman from New York rather than a Senator. He claimed he has forgotten his name, but that when he next meets with FRATIANNIO, he will bring up the subject to get the name identified. In any event he indicated

SD 92-229

that the New York representative was a very old man and has long been out of politics.

VIII. SAN FRANCISCO

Stated he is in frequent contact with JIMMY FRATIANNO of Sacramento. FRATIANNO has rented his home in Las Vegas for \$130 with the agreement that he can use a bedroom there whenever he is in Las Vegas. States FRATIANNO still has ten or eleven trucks' working on whatever jobs he can pick up. That LA PORTE's trucks have been repossessed and they are attempting to sell them for \$7,500 each. States FRATIANNO incurred a \$10,000 lawyer's fee with attorney JAMES CANTILLION of Los Angeles who represented him at El Centro, California. He has paid several thousand to CANTILLION at this time. States FRATIANNO was paying his own attorney fees and was not subsidized by the LCN.

Informant indicated a very close relationship with FRATIANNO and stated that in about 1960 just after FRATIANNO was released from Folsom, the Los Angeles LCN Family discussed putting out a contract on FRATIANNO, and it was only after the informant's strong objections the contract was not issued.

IX. LOS ANGELES FAMILY

Informant stated he has had three meetings with his Capo, JOE ADAMO, in San Diego, attempting to arrange a meeting with Los Angeles LCN Boss, FRANK DESIMONE, but that to date DESIMONE has avoided the meeting. He still intends to "cut into" NICK SIMPONIS' gambling operations on the outskirts of Palm Springs, but that he cannot do it without first clearing with his boss. Does not expect to get clearance from DESIMONE and will use this as another example to show DESIMONE's lack of leadership.

Stated that he has recently been advised that the Los Angeles LCN leadership is considering issuing a contract calling for the death of someone. The victim apparently lives in the Los Angeles area. Two men have already been designated as the ones who will do the killing and upon successful completion of the job, they apparently will be considered for LCN membership. The meeting has been under consideration for three or four months. Informant's "Capo", JOE ADAMO, at San Diego, has indicated to the informant that he has been picked to supervise the two men conducting the hit in order

SD 92-229

to insure it is done successfully.

Informant indicated that if the decision is made to issue the contract and it involves him, he will demand a sit down meeting with DESIMONE and Underboss NICK LICATA and possibly Capo JOE DIPPOLITO to get the full details. If it could be worked out, he would very much be interested in having the hit men caught in the act before the killing and then use them against DESIMONE and LICATA in order to depose them from their LCN positions of leadership. He stated that all developments in this regard will be immediately furnished to the interviewing agents.

Informant also indicated an intention of meeting with JOHN ROSELLI sometime during the end of the week around June 9-10, 1967, in Los Angeles.

Informant admits recent contacts with Cleveland hoodlum FRANK VELOTTA. VELOTTA drove to San Diego from Los Angeles by himself on June 5, 1967, to consult with the informant about the extradition charge he faces in Florida. Stated VELOTTA is one of the best burglars operating. Referred to him as a "bug man" who can turn off ADT alarm systems. States he is now living in North Hollywood, California, and that he claims to own a ten unit apartment house in North Hollywood in which he has a \$23,000 equity. VELOTTA claims he is trying to sell his apartment house now and that if he can raise the money, he would still like informant to go to Florida and attempt to arrange through LCN Boss SANTO TRAFFICANTE to have the Florida charge dropped.

Informant stated he is agreeable to this trip only if VELOTTA can come up with his plane fare and a little expense money so that he will not arouse anyone's suspicions as they all know he is broke.

Informant again spoke of HAPPY MELTZER in Los Angeles being successfully engaged in shylocking and bookmaking.

SD 92-229

X. LAS VEGAS

Informant agreed to tell interviewing agents his present financial plans after expressing deep concern about not letting anyone "foul him up" as he is very anxious to make a financial comeback. Stated that he is now working on a "deal" with ABE BENJAMIN of Las Vegas. BENJAMIN has located some young Italian who was working in Las Vegas as a shill, but who is apparently some kind of a homemade engineering genius. He is an inventor and has put together a gambling machine which they hope to manufacture and place in Nevada casinos. Apparently the machine utilizes old horse racing movies. The horse racing movies are projected on a screen. The players insert their coin, pick the horse they think will win, and then the machine is started and the one who has picked the winning horse will be paid off like a winner at a jackpot machine. They have one machine manufactured now and it cost approximately \$20,000. ABE BENJAMIN has invested \$14,000 to date and someone referred to by the informant as DAN WILSON of Los Angeles has invested \$18,000. WILSON, (believed to be an Italian with another true name), apparently is the west coast representative for some well known garbage disposal manufacturer in St. Louis. Informant indicated he was well known in the garbage disposal manufacturing line. Informant stated that he as well as FRATIANNO are also among the investors although neither have put up any cash, but have apparently promised to arrange for necessary financing if the machine is successful. The machine will be manufactured in Chicago and informant indicated the Chicago LCN Family would provide the financing.

(If the Las Vegas Division can discreetly verify the above without compromising the identity of the informant in any way or incurring his displeasure for hurting him financially by inquiry, it is requested that any pertinent information along these lines be furnished to the San Diego Office.)