

File #:

62-116395

Serial Scope:

1342X2

62-116395-13462X2

1 - Mr. J. B. Adams
1 - Mr. T. J. Jenkins
2 - Mr. J. A. Mintz
(1 - Mr. J. B. Hotis)
1 - Mr. H. N. Bassett
1 - Mr. E. W. Walsh

62-116395

January 26, 1976

1 - Mr. W. R. Wannall
1 - Mr. W. O. Cregar

1-Mr. S.F. Phillips

U. S. SENATE SELECT COMMITTEE TO
STUDY GOVERNMENTAL OPERATIONS WITH RESPECT
TO INTELLIGENCE ACTIVITIES (SSC)

RE: ALLEGATION NUMBER ONE

Reference is made to SSC letter dated January 8, 1976, asking for FBI responses to eight questions concerning each of five allegations of FBI misconduct and abuse. In modification of the SSC letter, Mr. John T. Elliff, SSC Domestic Intelligence Task Force Director, advised Mr. W. O. Cregar of this Bureau on January 12, 1976, that the purpose of this inquiry is to learn what information is provided to the Attorney General consistent with his oversight responsibilities once an allegation surfaces in the media.

The following response concerns allegation Number One which reads:

The March 20, 1975, edition of the New York Times reported that "the Federal Bureau of Investigation has carried out kidnappings of a number of persons in the United States that it believed to be clandestine agents of foreign intelligence services, according to two former FBI agents."

Pursuant to a conference between representatives of the FBI and Mr. Elliff, SSC, on January 12, 1976, it was established that Allegation Number One dealt with an investigative technique and not an allegation of personal misconduct and abuse. As a consequence, replies to the SSC's questions are inappropriate and unnecessary.

1 - The Attorney General

ORIGINAL AND ONE COPY TO THE ATTORNEY GENERAL

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir.:
Admin. _____
Comp. Syst. _____
Ext. Affairs _____
Files & Com. - JWJ:cml/mwl
Gen. Inv. _____
Ident. _____
Inspection _____
Intell. _____
Laboratory _____
Plan. & Eval. _____
Spec. Inv. _____
Training _____
Legal Coun. _____
Telephone Rm. _____
Director Sec'y _____

MAIL ROOM TELETYPE UNIT

A copy of referenced letter is attached to yellow of instant LHM. This document is prepared in response to your request and is not for dissemination outside your Committee. Its use is limited to official proceedings by your Committee and the content may not be disclosed to unauthorized personnel without the express approval of the FBI.

GPO : 1975 O - 569-920

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United States Senate

SELECT COMMITTEE TO
STUDY GOVERNMENTAL OPERATIONS WITH
RESPECT TO INTELLIGENCE ACTIVITIES
(PURSUANT TO S. RES. 21, 94TH CONGRESS)

WASHINGTON, D.C. 20510

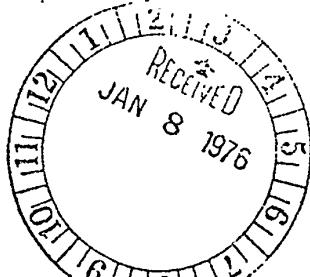
January 8, 1976

Michael E. Shaheen, Jr., Esq.
Special Counsel for Intelligence Coordination
Office of the Deputy Attorney General
U. S. Department of Justice
Washington, D.C. 20530

Dear Mike:

One of the subjects which the Committee will be addressing in preparing its legislative recommendations involves the adequacy of the FBI's inspection procedures for handling allegations of misconduct and abuse. In this regard we are forwarding herewith a list of several such allegations which have been made during the past few years and concerning each of which we would appreciate your supplying us with the following information:

1. How did FBI Headquarters first become aware of the allegation?
2. Was an investigation or inspection conducted? If not, was any other action taken?
3. How was the decision made to conduct (or not to conduct) an inspection or investigation, or to take (or not to take) other action?
4. Which Division, or operating level (headquarters or field), conducted the inspection or investigation?
5. How was the decision made as to which Division or operating level was to conduct the inspection or investigation?
6. Was the original allegation reported to the Attorney General or any other Department of Justice official?



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Michael E. Shaheen, Jr.
Page 2

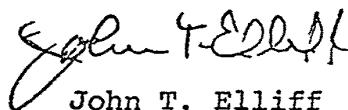
January 8, 1976

7. Were the results of the inspection or investigation reported to the Attorney General or any other Department of Justice official?
8. Was prosecution or administrative action (e.g., suspension or dismissal) considered or taken?
9. If any of the allegations on the attached list were made today, would they be handled by the newly-created office of Professional Responsibility? In what manner would they be handled? If an investigation were deemed warranted, which agency's personnel would do the investigating. In this regard, please also advise concerning which agency's personnel will be investigating recently-reported allegations that agents of the FBI "attempted to coerce" a House Select Committee on Intelligence witness "into repudiating his testimony before the select panel."

Answers to questions 1 - 7 should be accompanied by full back-up documentation, including memoranda, inspection or investigative reports, 302's, personnel reports, and communications to and from the field.

Your continued cooperation is appreciated.

Yours very truly,



John T. Elliff
Director
Domestic Intelligence Task Force

LEVI ASKS INQUIRY IN ATTACK ON F.B.I.

Special to The New York Times

WASHINGTON, Jan. 6.—Attorney General Edward H. Levi has asked the Justice Department's new internal inspection unit to investigate an assertion by the House Select Committee on Intelligence that the Federal Bureau of Investigation attempted to coerce a committee witness into repudiating his testimony before the select panel.

A Justice Department spokesman said that Mr. Levi, responding to a request for information about the incident from A. Searle Field, the committee's staff director, had assigned the matter for investigation to the department's newly created Office of Professional Responsibility.

In a letter to Mr. Levi last week, Mr. Field reported that the witness, Martin L. Kaiser, had disavowed part of his committee testimony after a six-hour interrogation by F.B.I. agents.

Mr. Kaiser heads a Maryland company that makes electronic eavesdropping equipment for the F.B.I. and other Federal law enforcement agencies.

His testimony before the House Committee in October raised the possibility that some F.B.I. agents had received kickbacks when another electronics company sold to the F.B.I. material it had acquired from Mr. Kaiser's concern.

LIST OF ALLEGATIONS

1. The March 20, 1975 edition of the New York Times reported that "the Federal Bureau of Investigation has carried out kidnappings of a number of persons in the United States that it believed to be clandestine agents of foreign intelligence services, according to two former FBI agents."
2. The August 11, 1975 issue of Time Magazine reported the discovery of "Bureau manuals, documents and reports" in the apartment of a KGB "operative" who was described as the "mistress" of an FBI agent.
3. The August 11, 1975 issue of Time Magazine also reported that in 1961 a Bureau agent was "suspected of giving FBI reports to the Soviets."
4. The March 29, 1975 edition of the Washington Post reported allegations that an FBI agent had been "bribed by a member of the Mafia."
5. A recent edition of Time Magazine reported that "sensitive" FBI documents "were carried off in an FBI truck to West Virginia's Blue Mountain Ridge Club, a Shenandoah Mountain Hideaway used by innermost FBI officials for regular poker games with CIA and other cronies. The papers were burned in the Club's large fireplace."

Alleged Violations

"Alleged 'Violations'" Several lawyers, including representatives of the American Civil Liberties Union, pointed out that an alien illegally in this country is by law afforded many of the same guarantees of due process as American citizens. The bureau's only legal alterations in such cases, one lawyer said, were to the individuals over to the various

MAY 1913

The use of kidnapping, one or to charge them with illegal entry or espionage. To have held such an individual incommunicado for more than a day, the lawyer added, would have violated his rights, it was never employed to be formally arrested and against the domestic left or

2 Former Agents Say

By JOHN M. CREWDSON
Special to The New York Times

Special to The New York Times

WASHINGTON, March 19-

The Federal Bureau of Investigation has carried out kidnappings of a number of persons in the United States that it believed to be clandestine agents of foreign intelligence services, according to two former F.B.I. agents with direct knowledge of such operations.

One of the former agents placed the number of such kid

... the names of such techniques as "napping over the years" and "fewer than 10" and said that as far as he knew, the technique had not been employed by the bureau since the mid-nineteen-sixties.

He said that its use had been occasioned by such col-

war incidents as the Cuban missile crisis "when things were pretty rough," and that he was "certain that this is no longer going on."

A spokesman for the bureau said only that the bureau would adopt "a no-comment posture" with respect to the kidnapping allegations.

A Pattern in Targets
- Both of the agents said that with one possible exception the targets selected by the F.B.I. for kidnapping were suspected intelligence operatives from Communist countries who had entered the United States illegally with forged American passports and other identity documents.

The use of the kidnapping technique was also confirmed, although not in detail, by two other former F.B.I. agents.

"In separate interviews, the two former agents who described the alleged kidnappings left open the possibility that in one instance the bureau had arrested in kidnapping a person who proved not to be a deep-cover spy but a legitimate American citizen.

One of the agents conceded, however, that in every case the practice was "completely wrong—completely in violation of civil liberties. No question about it," he added.

But he said, "In the business of intelligence, you're faced with the concept of expediency. That oftentimes leads you into extra-legal activities."

charged with a crime, to habeas corpus and to the assistance of counsel, among others.

Kidnapping, the former agent said, was a last resort used when no alternative means could be quickly found to interrogate a suspected subversive, or to "turn" him into a double agent willing to report to the F.B.I. on the activities of his own intelligence service.

It was, he said, "the type of thing that's never done lightly."

Both men denied that physical torture was ever employed in such cases, although one said that, when a suspect had been located, "You'd pick him up and take him somewhere and work him over."

The victims were often threatened with death as punishment for noncooperation, he added, although neither official recalled any instance in which a hostage had been murdered.

One of the former agents maintained, however, that mental duress was an important part of such interrogations, and he described one case in which a person was seized and detained in an F.B.I. "safe

house" for "several weeks."

Because the man was not operating under diplomatic cover, as many foreign espionage agents do, and was not otherwise an official personage, his extended absence went publicly unnoticed, the former agent said.

The spy, he said, knew his captors only as "U.S. intelligence agents," at least one of whom was with him constantly.

"Someone slept in the same bed with him. We even went with him to the bathroom," he said.

agreed to become a double agent and was told, in the former agent's words:

"You are a free man. Do you know what that means? If you leave here and do not keep your promises we will do nothing further ~~or~~ ^{or} you. But you have made a statement and we will take you as your word."

F.B.I. Has Kidnapped Suspected Foreign Spies in U.S.

organized crime figures, but when he was a small child he was reserved for operatives of the Soviet K.G.B., or secret police, or representatives of other Soviet-bloc intelligence services.

The technique was particularly useful, he explained, when the F.B.I. feared that it was about to lose track of a suspected agent posing as an American citizen.

"You'd identify your man and follow him to develop who he was contacting here," the former agent said. "but you always run the risk of losing him in 200 million people."

One instance in which that concern played an important part was described by the two former agents.

The F.B.I., he said, placed the mysterious stranger under surveillance and eventually became convinced that he was, they recalled, a man walked a Soviet intelligence agent who had penetrated the United States illegally.

When the local F.B.I. agents became concerned that they

would lose the suspect, they

interrogation, or while attempting to escape.

The man explained to the source recounted, a decision

clerk that he had left the region was made "to hit him."

After receiving authorization directly from J. Edgar Hoover, the late F.B.I. director, a specially picked team of agents seized the suspect and rushed him to a secluded "safe house" of the bureau for interrogation, the two sources said.

One of the former agents described the interrogation as a "stern" one, and the other added that "this was rough business," though neither provided specific details of the ordeal to which the man was subjected.

Both sources described the operation as a success but declined to elaborate on its precise disposition or the subject's present whereabouts.

One of the former agents maintained, however, that none of the suspected espionage agents involved in these operations had ever died as a direct result of the kidnapping or interrogation, or while attempting to escape.

The first former agent con-

tinued a formalized "kidnap-squad," at one time there was a coterie of agents who could and would carry out illegal high-risk operations such as burglaries and kidnappings.

But by the mid-nineteen-sixties, he said, these men had become convinced that Mr. Hoover would no longer back them and they refused to undertake such work without "paper" or written authorizations, which Mr. Hoover was unwilling to give.

Too Dangerous to Accept

"You'd call a guy up and ask him to do something," the source recalled, "and he'd remind you that he had two kids in college and he could see his retirement down the road!"

"This work was exceedingly dangerous," the second former F.B.I. man said. "You could get shot, you could get arrested."

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tinued a formalized "kidnap-squad," at one time there was a coterie of agents who could and would carry out illegal high-risk operations such as burglaries and kidnappings.

Knowledge of the kidnapping operations was "very, very closely held," he said, being limited to Mr. Hoover, who personally approved each of them; a handful of top officials, and the agents in the field who carried them out.

"Nobody will admit a damn thing," he said, pointing out that the crime of kidnapping carries no statute of limitations.

The lawyers interviewed in connection with the legality of these operations said, however, that Federal and state kidnapping statutes had probably not been violated by the agents who carried out the abductions, since no ransom was extracted.

Because "the best interests of the country would not be served by pursuing that investigation," the man declined to identify either the F.B.I. agents or the suspected subversives involved in the kidnapping.

TIME 10/11/75 13
6/106 10/11/1975

FBI

Seduced by the KGB

P.19

While concentrating its efforts upon the CIA, Senator Frank Church's special committee that is investigating U.S. intelligence programs has also been accumulating data on the FBI. Last week TIME learned that the committee has heard some startling reports of misdeeds, break-ins and cover-ups, including the story of an agent whose mistress was linked to the Soviet KGB.

The affair was discovered in 1963 when a CIA source in Moscow reported that KGB officials were jubilant about getting one of their operatives in bed with an FBI agent. To check out the CIA's report, the FBI broke into the apartment of the woman, a middle-aged waitress, and discovered bureau manuals, documents and reports. Some FBI officials urged prosecution, but J. Edgar Hoover's palace guard of deputies stopped the inquiry to avoid embarrassing the bureau and its boss. The agent was simply allowed to resign. The KGB also appears to have penetrated the FBI in 1961. In this case, the agent suspected of giving FBI reports to the Soviets (a polygraph test on him was inconclusive) was fired on a minor technicality.

The Church committee has also turned up evidence of a variety of extra-legal activities practiced by the FBI. The bureau is said to have maintained special schools to train agents in the techniques of the "bag job," a euphemism for breaking and entering. The graduates—lockpickers, burglars and a few safecrackers—managed to steal some code books from foreign embassies. For this they received "incentive awards" ranging from \$250 to \$500.

The Senators would like to know more about the private files Hoover kept on public officials and what use he made of them. John Mehr, a former top FBI official, has told TIME that he had been questioned three times by the committee about the dossiers assembled by Hoover on scores of people. Just what happened to some of the files after Hoover's death in 1972 is still a mystery.

Justice Dept. Looks Into Bureau Bribe Investigation

FBI Bid to Kill Probe Charged

By Ronald Kessler
Washington Post Staff Writer

Shortly after he became director of the FBI, Clarence M. Kelley twice made unsuccessful attempts to stop a Justice Department investigation of the FBI. The FBI, the former prosecutor said, is a fact-finding agency that normally does not gather evidence against a member of the Mafia, according to an informed source.

The charge was leveled against New York FBI agent Joseph Stabile by two fellow New York agents. One said Stabile had admitted to him

an investigation was closed when it turned up no evidence against Stabile. But the two agents who made the accusation told the Justice Department's organized crime strike force in Brooklyn that the FBI investigation had been a "cover-up," the source said.

This triggered a Justice Department investigation, which is continuing, the source said.

Despite the origin of the Justice Department investigation, the source said, Kelley asked high-ranking department officials in 1973 to call the Brooklyn prosecutors off the case on the grounds the FBI had found no violations of law.

In addition, the source said, Kelley complained that the Justice investigation was hurting FBI morale.

During the ensuing dispute, he said, Henry E. Petersen, then chief of the Criminal Division of Justice, informed the Brooklyn prosecutors of Kelley's attempts and told Kelley the investigation would continue.

Another source said Petersen later cited the New York incident to show the need for an inspector general within the Justice Department to police the FBI.

Petersen, who has since left the Justice Department, confirmed recently that Kelley wanted the investigation stopped but could not recall how he had made his views known. Petersen said he would not dispute that it was in the form of a request.

"There was a difference of opinion, and ultimately the opinion of the Criminal Division prevailed, and the FBI acquiesced in that opinion," he said.

The informed source said Kelley's requests, which were known to only a few FBI and department officials amounted to "pressure" and an "attempt to stop a Justice Department investigation of the FBI as a member of the Luchese New York Mafia family."

Chief among these problems — which were confirmed by a second source — was the fact that the FBI immediately confronted Stabile with the bribe allegation before attempting to gather evidence against him.

In doing so, the source said, the FBI agent gave the agent treatment it would not give to others suspected of criminal behavior.

In addition, the source said, the FBI agent gave the agent such an opinion based on man- power considerations. But FBI at that same time the FBI violated its own procedures by failing to inform the Justice Department that it was con- ducting an investigation of the bribe allegation.

Sources familiar with the bribe allegation attributed Kelley's action to a feeling he cannot comment on the long held by FBI leaders that bribe allegation because many any hint of corruption would irreparably damage the bureau's image and effectiveness.

Although Kelley's attempts were unsuccessful, the Justice investigation had been hampered by the trial, to be held in U.S. district Court, is of John Caputo, who is identified by the

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Caputo is alleged to have bribed Stabile.

The trial, however, centers on the question of whether Caputo lied when he told a grand jury he had not admitted to FBI agents that he paid off New York city policemen.

Reached at his Hawley, Pa., country home Caputo, 71, said of the charge he paid off an FBI agent, "I got nothing to do with this."

Asked if he is a member of the mafia, Caputo said, "come on. I have nice children. My kids went to nice Catholic schools. They say you're with this, with that."

Many of the essential facts surrounding the bribe allegation — including the identity of the accused agent, Stabile — were revealed in pre-trial testimony taken last month for Caputo's pending perjury trial.

62-116395

January 26, 1976

for semi-
annual
to official proceedings by
your Committee and the content may not be disclosed to unauthorized person-
nel without the express approval of the FBI.

U. S. SENATE SELECT COMMITTEE TO
STUDY GOVERNMENTAL OPERATIONS WITH
RESPECT TO INTELLIGENCE ACTIVITIES (SSC)

RE: ALLEGATION NUMBER TWO

Reference is made to Senate Select Committee (SSC) letter dated January 8, 1976, asking for FBI responses to eight questions concerning each of five allegations of FBI misconduct and abuse. In modification of the SSC letter, Mr. John T. Elliff, SSC Domestic Intelligence Task Force Director, advised Mr. W. O. Cregar of this Bureau on January 12, 1976, that the purpose of this inquiry is to learn what information is provided to the Attorney General consistent with his oversight responsibilities once an allegation surfaces in the media.

The following response concerns Allegation Number Two which reads:

The August 11, 1975, issue of Time Magazine reported the discovery of "Bureau manuals, documents, and reports" in the apartment of a KGB "operative" who was described as the "mistress" of an FBI Agent.

The response below is in the order and by numerical designation corresponding to the questions raised.

1. How did FBI Headquarters first become aware of the allegation?

Assoc. Dir. _____
Dep. AD Adm. _____
Dep. AD Inv. _____
Asst. Dir. _____
Admin. _____
Comp. Syst. _____
Ext. Affairs _____
Files & Com. _____
Gen. Inv. _____
Ident. _____
Inspection _____
Intell. _____
Laboratory _____
Plan. & Eval. _____
Spec. Inv. _____
Training _____
Legal Coun. _____
Telephone Rm. _____
Director Sec'y _____

This Bureau had learned through its sensitive intelligence sources that Soviet

1 - Mr. Adams 1 - Mr. Jenkins 2 - Mr. Mintz (1 - Mr. Hotis)
1 - Mr. Bassett 1 - Mr. Walsh 1 - Mr. Wannall

1 - Mr. Cregar 1 - Mr. Phillips

PLM wmu

FW: *SNW* (13)

NOTE: Above information pertaining to Allegation Number 2 was made available to the Administrative Division by Supervisor James E. Nolan, Jr., Intelligence Division, which Division handled the original inquiry. A copy of referenced letter is attached to yellow of instant LHM. Material being supplied to the SSC will be delivered with the LHM by Legal Counsel Division. A set of such material is being retained by the SENSTUDY 75 Project.

SECRET MATERIAL ATTACHED

MAIL ROOM TELETYPE UNIT
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ORIGINAL AND ONE COPY TO AG.

Re: U. S. Senate Select Committee

intelligence was targeting against our personnel and was attempting to overhear their conversations in restaurants in the area of the New York Office. The head of the New York Office was deeply concerned over this activity and because of this prior knowledge was concerned in July, 1968, that a waitress employed in a nearby restaurant appeared to have a great deal of knowledge concerning matters pertaining to the FBI in New York and an undue interest in FBI personnel.

2. Was an investigation or inspection conducted? If not, was any other action taken?

As a result of the above, a discreet physical surveillance was instituted on that waitress in July, 1968.

3. How was the decision made to conduct (or not to conduct) an inspection or investigation, or to take (or not to take) other action?

The decision to conduct this investigation was made by the then head of the New York Office since the possible penetration attempts were directed at that office according to our sources.

4. Which Division, or operating level (Headquarters or Field), conducted the inspection or investigation?

The surveillance activity was conducted by Agents of the New York Office.

5. How was the decision made as to which Division or operating level was to conduct the inspection or investigation?

No inspection or personnel investigation was instituted until, as a result of the surveillance on the waitress, it was revealed

Re: U. S. Senate Select Committee

that a Special Agent of the New York Office had remained overnight at this female's apartment on July 17-18, 1968. As a result of this revelation this Special Agent was promptly interviewed the morning of July 18, 1968, by two Special Agents in Charge in New York.

6. Was the original allegation reported to the Attorney General or any other Department of Justice official?

A review of Bureau files does not indicate that this incident was reported to the Attorney General or any other Department of Justice official at the time.

7. Were the results of the inspection or investigation reported to the Attorney General or to any other Department of Justice official?

A letter classified "Secret" was furnished to the Attorney General on August 6, 1975, concerning this matter. Delivered with this memorandum is the backup documentation.

8. Was prosecution or administrative action (e.g. suspension or dismissal) considered or taken?

The Special Agent involved resigned following his interview effective close of business that date, July 18, 1968.

1 - The Attorney General

FRANK CHURCH, IDAHO, CHAIRMAN
JOHN G. TOWER, TEXAS, VICE CHAIRMAN
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WILLIAM G. MILLER, STAFF DIRECTOR
FREDERICK A. O. SCHWARTZ, JR., CHIEF COUNSEL
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United States Senate

SELECT COMMITTEE TO
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(PURSUANT TO S. RES. 21, 94TH CONGRESS)

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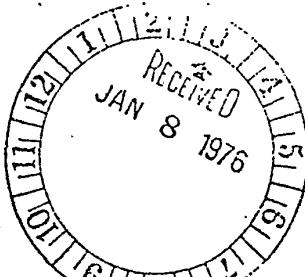
January 8, 1976

Michael E. Shaheen, Jr., Esq.
Special Counsel for Intelligence Coordination
Office of the Deputy Attorney General
U. S. Department of Justice
Washington, D.C. 20530

Dear Mike:

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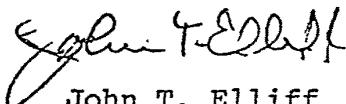
January 8, 1976

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Your continued cooperation is appreciated.

Yours very truly,



John T. Elliff
Director
Domestic Intelligence Task Force

LEVI ASKS INQUIRY IN ATTACK ON F.B.I.

Special to The New York Times

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5. A recent edition of Time Magazine reported that "sensitive" FBI documents "were carried off in an FBI truck to West Virginia's Blue Mountain Ridge Club, a Shenandoah Mountain Hideaway used by innermost FBI officials for regular poker games with CIA and other cronies. The papers were burned in the Club's large fireplace."

The man did keep his word.

Several lawyers, including representatives of the American Civil Liberties Union, pointed out that an alien illegally in this country is by law afforded many of the same guarantees of due process as American citizens.

The bureau's only legal alternatives in such cases, one lawyer said, were to turn such individuals over to the Immigration and Naturalization Service for a deportation hearing or to charge them with illegal entry or espionage.

To have held such an individual incommunicado for more than a day, the lawyer added, would have violated his rights as formally arrested and against the domestic law or

Playing for Keeps'

The use of kidnapping, one of the former agents emphasized, "was a tough game. That was when you're playing for keeps," he said. He said that, to his knowledge, it was never employed

in a case where the man was formally arrested and against the domestic law or

3/20/75 : My Turn

2 Former Agents Say

By JOHN M. CREWDSON

Special to The New York Times

WASHINGTON, March 19

The Federal Bureau of Investigation has carried out kidnappings of a number of persons in the United States that it believed to be clandestine agents of foreign intelligence services, according to two former F.B.I. agents with direct knowledge of such operations.

One of the former agents placed the number of such kidnappings over the years at "fewer than 10" and said that physical torture was ever employed as far as he knew, the technique had not been employed.

He said that its use had been occasioned by such cold-war incidents as the Cuban missile crisis "when things were pretty rough," and that he was "certain that this is no longer going on."

A spokesman for the bureau said only that the bureau would adopt "a no-comment posture" with respect to the kidnapping allegations.

A Pattern in Targets

Both of the agents said that, with one possible exception, the targets selected by the F.B.I. for kidnapping were suspected intelligence operatives from Communist countries who had entered the United States illegally with forged American passports and other identity documents.

The use of the kidnapping technique was also confirmed, although not in detail, by two other former F.B.I. agents.

In separate interviews, the two former agents who described the alleged kidnappings left open the possibility that in one instance the bureau had arrested in kidnapping a person who proved not to be a deep-cover spy but a legitimate American citizen.

One of the agents conceded, however, that in every case the practice was "completely wrong—completely in violation of civil liberties. No question," he added.

But he said, "In the business of intelligence, you're faced with the concept of expediency. That oftentimes leads you into extra-legal activities."

charged with a crime, to habeas corpus and to the assistance of counsel, among others.

Kidnapping, the former agent said, was a last resort used when no alternative means could be quickly found to interrogate a suspected subversive or to "turn" him into a double agent willing to report to the F.B.I. on the activities of his own intelligence service.

It was, he said, "the type of thing that's never done lightly."

Both men denied that physical torture was ever employed in such cases, although one

had not been employed.

He said that, when a suspect had been located, "You'd pick him up and take him somewhere and work him over."

The victims were often threatened with death as punishment for noncooperation, he added, recalled any instance in which a hostage had been murdered.

One of the former agents

maintained, however, that mental duress was an important part of such interrogations, and he described one case in which

a person was seized and detained in an F.B.I. "safe house" for "several weeks."

Absence Not Noticed

Because the man was not operating under diplomatic cover, as many foreign espionage agents do, and was not otherwise an official personage, his extended absence went publicly unnoticed, the former agent said.

The spy, he said, knew his captors only as "U.S. intelligence agents," at least one of whom was with him constantly.

"Someone slept in the same bed with him. We even went with him to the bathroom," he said.

After weeks of intense interrogation the man broke and agreed to become a double agent and was told, in the former agent's words:

"You are a free man. Do you know what that means? Of civil liberties. No question. If you leave here and do not about it," he added.

"Keep your promises we will do nothing further to you. But of intelligence, you're faced you have made a commitment with the concept of expediency, and we will take you at your word."

F.B.I. Has Kidnapped Suspected Foreign Spies in U.S.

organized crime figures, but when he was a small child was reserved for operatives of the Soviet K.G.B., or secret police, or representatives of other Soviet-bloc intelligence services.

The technique was particularly useful, he explained, when the F.B.I. feared that it was about to lose track of a suspected agent posing as an American citizen.

"You'd identify your man and follow him to develop who he was contacting here," the former agent said, "but you always ran the risk of losing him in 200 million people."

One instance in which that concern played an important part was described by the two former agents.

In the early nineteen-sixties, they recalled, a man walked into the recorder's office in a rural Middle West county seat near the Canadian border and asked for a copy of his birth certificate.

The man explained to the source recounted, a decision

and was now seeking to document his family history. The name he gave was that of a former resident of the county, someone whom the records clerk and others there remembered had suffered a permanent pelvic injury as a youth. The inquiring man appeared to walk perfectly, however, and the townspeople, their suspicions piqued, notified the local office of the F.B.I.

"Thank God the resident agent was on the ball," one of the sources said, "and went over and checked the matter out."

Linked to Soviet

The F.B.I., he said, placed the mysterious stranger under surveillance and eventually became convinced that he was a Soviet intelligence agent who had penetrated the United States illegally.

When the local F.B.I. agents became concerned that they

would lose the suspect, the

source recounted, a decision

was made "to hit him."

After receiving authorization directly from J. Edgar Hoover, the late F.B.I. director, a specially picked team of agents seized the suspect and rushed him to a secluded "safe house" of the bureau for interrogation, the two sources said.

One of the former agents described the interrogation as a "stern" one, and the other added that "this was rough business," though neither provided specific details of the ordeal to which the man was subjected.

Both sources described the operation as a success but declined to elaborate on its precise disposition or the subject's present whereabouts.

One of the former agents maintained, however, that none of the suspected espionage agents involved in these operations had ever died as a direct result of the kidnapping or interrogation, or while attempting to escape.

The former agent said that

he had been told that

the bureau never

operated a formalized "kidnap-squad," at one time there was a coterie of agents who "could and would" carry out illegal high-risk operations such as burglaries and kidnappings.

But by the mid-nineteen-sixties, he said, these men had become convinced that Mr. Hoover would no longer back them and they refused to undertake such work without "paper" or written authorizations, which Mr. Hoover was unwilling to give.

"Nobody will admit a damn thing," he said, pointing out that the crime of kidnapping carries no statute of limitations.

The lawyers interviewed in connection with the legality of these operations said, however, that Federal and state kidnapping statutes had probably not been violated by the agents who carried out the abductions, since no ransom was extracted.

Because "the best interests of the country would not be served by pursuing that investigation," the man declined to identify either the F.B.I. agents or the suspected subversives involved in the kidnapping.

6.106 1109.11.1975

FBI

Seduced by the KGB

P.19

While concentrating its efforts upon the CIA, Senator Frank Church's special committee that is investigating U.S. intelligence programs has also been accumulating data on the FBI. Last week TIME learned that the committee has heard some startling reports of misdeeds, break-ins and cover-ups, including the story of an agent whose mistress was linked to the Soviet KGB.

The affair was discovered in 1963 when a CIA source in Moscow reported that KGB officials were jubilant about getting one of their operatives in bed with an FBI agent. To check out the CIA's report, the FBI broke into the apartment of the woman, a middle-aged waitress, and discovered bureau manuals, documents and reports. Some FBI officials urged prosecution, but J. Edgar Hoover's palace guard of deputies stopped the inquiry to avoid embarrassing the bureau and its boss. The agent was simply allowed to resign. The KGB also appears to have penetrated the FBI in 1961. In this case, the agent suspected of giving FBI reports to the Soviets (a polygraph test on him was inconclusive) was fired on a minor technicality.

The Church committee has also turned up evidence of a variety of extra-legal activities practiced by the FBI. The bureau is said to have maintained special schools to train agents in the techniques of the "bag job," a euphemism for breaking and entering. The graduates—lockpickers, burglars and a few safecrackers—managed to steal some code books from foreign embassies. For this they received "incentive awards" ranging from \$250 to \$500.

The Senators would like to know more about the private files Hoover kept on public officials and what use he made of them. John Mohr, a former top FBI official, has told TIME that he had been questioned three times by the committee about the dossiers assembled by Hoover on scores of people. Just what happened to some of the files after Hoover's death in 1972 is still a mystery.

Justice Dept. Looks Into Bureau Bribe Investigation

FBI Bid to Kill Probe Charged

By Ronald Kessler
Washington Post Staff Writer

The informed source said: permed by the FBI's handling of Kelley's requests, which were: the case before Kelley became known to only a few FBI and director in July, 1973, one source said. Shortly after he became director of the FBI, Clarence M. Kelley twice made unsuccessful attempts to stop a Justice tempt to suppress it (the investigation of investigation)." The FBI, the former prosecutor said, is a fact-finding agency that normally does not gather evidence against member of the Mafia, according to an informed source.

The charge was leveled against New York FBI agent Joseph Stabile by two fellow New York agents. One said Stabile had admitted to him that he took the bribe.

An investigation was closed when it turned up no evidence against Stabile. But the two agents who made the accusation told the Justice Department's organized crime strike force in Brooklyn that the FBI investigation had been a "cover-up," the source said.

This triggered a Justice Department investigation, which is continuing, the source said.

Despite the origin of the Justice Department investigation, the source said, Kelley asked high-ranking department officials in 1973 to call the Brooklyn prosecutors off the case on the grounds the FBI had found no violations of law.

In addition, the source said, Kelley complained that the Justice investigation was hurting FBI morale.

During the ensuing dispute, he said, Henry E. Petersen, then chief of the Criminal Division of Justice, informed the Brooklyn prosecutors of Kelley's attempts and told Kelley the investigation would continue.

Another source said Petersen later cited the New York incident to show the need for an inspector general within the Justice Department to police the FBI.

Petersen, who has since left the Justice Department, confirmed recently that Kelley wanted the investigation stopped but could not recall how he had made his views known. Petersen said he would not dispute that it was in the form of a request.

"There was a difference of opinion, and ultimately the opinion of the Criminal Division prevailed, and the FBI acquiesced in that opinion," he said.

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Chief among these problems — which were confirmed by a second source — was the fact that the FBI immediately confronted Stabile with the bribe allegation before attempting to gather evidence against him.

In doing so, the source said, the FBI agent gave the agent treatment it would not give others suspected of criminal behavior.

In addition, the source said, at that same time the FBI violated its own procedures by failing to inform the Justice Department that it was conducting an investigation of the bribe allegation.

Sources familiar with the bribe allegation attributed Kelley's action to a feeling he cannot comment on the bribe allegation because many

long held by FBI leaders that any hint of corruption would irreparably damage the bureau's image and effectiveness.

Although Kelley's attempts were unsuccessful, the Justice investigation had been hampered by a feeling that it would not be able to gather evidence against Stabile.

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long held by FBI leaders that any hint of corruption would irreparably damage the bureau's image and effectiveness.

Asked if he is a member of the mafia, Caputo said, "come on. I have nice children. My kids went to nice Catholic schools. They say you're with this, with that."

Many of the essential facts surrounding the bribe allegation — including the identity of the accused agent, Stabile — were revealed in pre-trial testimony taken last month for Caputo's pending perjury trial.

The trial, to be held in U.S. District Court, is of John Caputo, who is identified by the

62-116395

January 26, 1976

U. S. SENATE SELECT COMMITTEE TO
STUDY GOVERNMENTAL OPERATIONS WITH
RESPECT TO INTELLIGENCE ACTIVITIES (SSC)

RE: ALLEGATION NUMBER THREE

Reference is made to Senate Select Committee (SSC) letter dated January 8, 1976, asking for FBI responses to eight questions concerning each of five allegations of FBI misconduct and abuse. In modification of the SSC letter, Mr. John T. Elliff, SSC Domestic Intelligence Task Force Director, advised Mr. W. O. Cregar of this Bureau on January 12, 1976, that the purpose of this inquiry is to learn what information is provided to the Attorney General consistent with his oversight responsibilities once an allegation surfaces in the media.

The following response concerns Allegation Number Three which reads:

The August 11, 1975, issue of Time Magazine also reported that in 1961 a Bureau Agent was "suspected of giving FBI reports to the Soviets."

The response below is in the order and by numerical designation corresponding to the questions raised.

1. How did FBI Headquarters first become aware of the allegation?

Access Risks

BSCC 3011

Dec. AD 1955

Ass't Dir.:

Admin

Comp. Syst. 1

Ext. Affairs

Files & Com. —

Gen. Inv. _____

Ident.

Inspection

Intell. —

Laboratory _____

Plan. & Eval. —

Spec. Inv. —

Training

Legal Coun. _____

1 - Mr. Adams 1 - Mr. Jenkins 2 - Mr. Mintz (1 - Mr. Hotis)

1 - Mr. Bassett 1 - Mr. Walsh 1 - Mr. Wannall
1 - Mr. Cregar 1 - Mr. Phillips
FW: rjw (13) *W&L* *pm* *jet*
NOTE: Above information pertaining to Allegation Number 3 was made available to the Administrative Division by Supervisor James E. Nolan, Jr., Intelligence Division, which Division handled the original inquiry. A copy of referenced letter is attached to yellow of instant LHM. Material being supplied to the SSC will be delivered with the LHM by Legal Counsel Division. A set of such material is being retained by the SENSTUDY 75 Project.

ORIGINAL AND ONE COPY TO AG.

SECRET MATERIAL ATTACHED

Re: U. S. Senate Select Committee

which stated that a man would be in a certain telephone booth in Rockville, Maryland, on March 14, 1962, between 8:15 p.m. and 8:45 p.m. According to the note this man should be followed to find out who was selling FBI reports to foreign officials.

2. Was an investigation or inspection conducted? If not, was any other action taken?

An investigation was immediately initiated.

3. How was the decision made to conduct (or not to conduct) an inspection or investigation, or to take (or not to take) other action?

The letter upon its receipt in the Bureau was referred to Intelligence Division (then Domestic Intelligence Division). Special Agent Richard D. Cotter, Number One Man to Section Chief W. R. Wannall, Nationalities Intelligence Section, acting for Assistant Director William C. Sullivan, made the determination to conduct active investigation. Special Agent Cotter prepared a memorandum from Mr. W. R. Wannall to Mr. W. C. Sullivan dated March 14, 1962, advising of the receipt of the letter containing the allegation and setting forth his instructions to the Field for active investigation. This memorandum was approved by then Director J. Edgar Hoover.

4. Which Division, or operating level (Headquarters or Field), conducted the inspection or investigation?

The investigation was originally conducted by the Baltimore Field Office with subsequent investigation being conducted by the Washington Field Office.

5. How was the decision made as to which Division or operating level was to conduct the inspection or investigation?

Re: U. S. Senate Select Committee

Since this was an investigative matter in the intelligence field, it was the decision of the Intelligence Division that it should be handled by the Baltimore Field Office, in whose territory the phone booth was located.

6. Was the original allegation reported to the Attorney General or any other Department of Justice official?

A review of Bureau files does not indicate that the original allegation was ever reported to the Attorney General or to any other Department of Justice official.

7. Were the results of the inspection or investigation reported to the Attorney General or any other Department of Justice official?

A letter classified "Secret" was furnished to the Attorney General on August 6, 1975, concerning this matter. Delivered with this memorandum is the backup documentation.

8. Was prosecution or administrative action (e.g. suspension or dismissal) considered or taken?

No. Inasmuch as investigation was unable to substantiate the allegation that a Bureau Agent was furnishing information to the Soviets, no administrative action was taken in connection with the allegation. However, a suspected Special Agent was censured for an unrelated violation of Bureau regulations as a result of our investigation.

1. - The Attorney General.

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United States Senate

SELECT COMMITTEE TO
STUDY GOVERNMENTAL OPERATIONS WITH
RESPECT TO INTELLIGENCE ACTIVITIES
(PURSUANT TO S. RES. 21, 94TH CONGRESS)

WASHINGTON, D.C. 20510

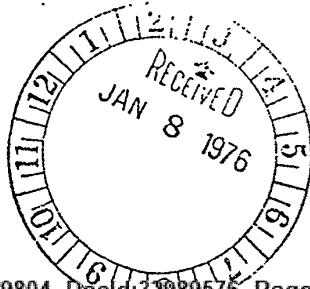
January 8, 1976

Michael E. Shaheen, Jr., Esq.
Special Counsel for Intelligence Coordination
Office of the Deputy Attorney General
U. S. Department of Justice
Washington, D.C. 20530

Dear Mike:

One of the subjects which the Committee will be addressing in preparing its legislative recommendations involves the adequacy of the FBI's inspection procedures for handling allegations of misconduct and abuse. In this regard we are forwarding herewith a list of several such allegations which have been made during the past few years and concerning each of which we would appreciate your supplying us with the following information:

1. How did FBI Headquarters first become aware of the allegation?
2. Was an investigation or inspection conducted? If not, was any other action taken?
3. How was the decision made to conduct (or not to conduct) an inspection or investigation, or to take (or not to take) other action?
4. Which Division, or operating level (headquarters or field), conducted the inspection or investigation?
5. How was the decision made as to which Division or operating level was to conduct the inspection or investigation?
6. Was the original allegation reported to the Attorney General or any other Department of Justice official?



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Michael E. Shaheen, Jr.
Page 2

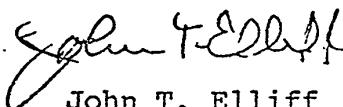
January 8, 1976

7. Were the results of the inspection or investigation reported to the Attorney General or any other Department of Justice official?
8. Was prosecution or administrative action (e.g., suspension or dismissal) considered or taken?
9. If any of the allegations on the attached list were made today, would they be handled by the newly-created office of Professional Responsibility? In what manner would they be handled? If an investigation were deemed warranted, which agency's personnel would do the investigating. In this regard, please also advise concerning which agency's personnel will be investigating recently-reported allegations that agents of the FBI "attempted to coerce" a House Select Committee on Intelligence witness "into repudiating his testimony before the select panel."

Answers to questions 1 - 7 should be accompanied by full back-up documentation, including memoranda, inspection or investigative reports, 302's, personnel reports, and communications to and from the field.

Your continued cooperation is appreciated.

Yours very truly,



John T. Elliff
Director
Domestic Intelligence Task Force

LEVI ASKS INQUIRY IN ATTACK ON F.B.I.

Special to The New York Times

WASHINGTON, Jan. 6—Attorney General Edward H. Levi has asked the Justice Department's new internal inspection unit to investigate an assertion by the House Select Committee on Intelligence that the Federal Bureau of Investigation attempted to coerce a committee witness into repudiating his testimony before the select panel.

A Justice Department spokesman said that Mr. Levi, responding to a request for information about the incident from A. Searle Field, the committee's staff director, had assigned the matter for investigation to the department's newly created Office of Professional Responsibility.

In a letter to Mr. Levi last week, Mr. Field reported that the witness, Martin L. Kaiser, had disavowed part of his committee testimony after a six-hour interrogation by F.B.I. agents.

Mr. Kaiser heads a Maryland company that makes electronic eavesdropping equipment for the F.B.I. and other Federal law enforcement agencies.

His testimony before the House Committee in October raised the possibility that some F.B.I. agents had received kickbacks when another electronics company sold to the F.B.I. material it had acquired from Mr. Kaiser's concern.

LIST OF ALLEGATIONS

1. The March 20, 1975 edition of the New York Times reported that "the Federal Bureau of Investigation has carried out kidnappings of a number of persons in the United States that it believed to be clandestine agents of foreign intelligence services, according to two former FBI agents."
2. The August 11, 1975 issue of Time Magazine reported the discovery of "Bureau manuals, documents and reports" in the apartment of a KGB "operative" who was described as the "mistress" of an FBI agent.
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Alleged 'Violators'

Several lawyers, including representatives of the American Civil Liberties Union, pointed out that an alien illegally in this country is by law afforded many of the same guarantees of due process as American citizens.

The bureau's only legal alternatives in such cases, one lawyer said, were to turn such individuals over to the Immigration and Naturalization service for a deportation hearing or to charge them with illegal entry or espionage.

To have held such an individual incommunicado for more than a day, the lawyer added, would have violated his rights to be formally arrested and against the domestic law.

The man didn't keep his word.

The former agent said, and appeared at an appointed meeting with an F.B.I. intelligence agent a week later.

But the former agent acknowledged that the technique contained a critical flaw: The F.B.I. had no way of knowing whether the man, or others like him, reported their experiences to their own government, and thus became triple agents.

'Playing for Keeps'

The use of kidnapping, one of the former agents emphasized, "was a tough game. That was when you're playing for keeps," he said.

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"You are a free man. Do you know what that means? If you leave here and do not about it," he added.

"But he said, "In the business of intelligence, you're faced with the concept of expediency, and we will take you off your word." That oftentimes leads you into extra-legal activities."

F.B.I. Has Kidnapped Suspected Foreign Spies in U.S.

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and was now seeking to document his family history: The name he gave was that of a former resident of the county, someone whom the records clerk and others there remembered had suffered a permanent pelvic injury as a youth.

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Too Dangerous to Accept
"You'd call a guy up and ask him to do something," the source recalled, "and he'd remind you that he had two kids in college and he could see his retirement down the road."

"This work was exceedingly dangerous," the second former F.B.I. man said. "You could get shot, you could get arrested."

The first former agent conceded these points, adding that although the bureau never mentioned kidnapping was

ever made in writing and that consequently no record of it exists within the bureau's files.

Knowledge of the kidnapping operations was "very, very closely held," he said, being limited to Mr. Hoover, who personally approved each of them; a handful of top officials, and the agents in the field who carried them out.

"Nobody will admit a damn thing," he said, pointing out that the crime of kidnapping carries no statute of limitations.

The lawyers interviewed in connection with the legality of these operations said, however, that Federal and state kidnapping statutes had probably not been violated by the agents who carried out the abductions, since no ransom was extracted.

Because "the best interests of the country would not be served by pursuing that investigation," the men declined to identify either the F.B.I. agents or the suspected subversives involved in the kidnapping.

100-147710-207585-15
TIME NOV. 11, 1975

FBI

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P.19

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The affair was discovered in 1968 when a CIA source in Moscow reported that KGB officials were jubilant about getting one of their operatives in bed with an FBI agent. To check out the CIA's report, the FBI broke into the apartment of the woman, a middle-aged waitress, and discovered bureau manuals, documents and reports. Some FBI officials urged prosecution, but J. Edgar Hoover's palace guard of deputies stopped the inquiry to avoid embarrassing the bureau and its boss. The agent was simply allowed to resign. The KGB also appears to have penetrated the FBI in 1961. In this case, the agent suspected of giving FBI reports to the Soviets (a polygraph test on him was inconclusive) was fired on a minor technicality.

The Church committee has also turned up evidence of a variety of extra-legal activities practiced by the FBI. The bureau is said to have maintained special schools to train agents in the techniques of the "bag job," a euphemism for breaking and entering. The graduates—lockpickers, burglars and a few safecrackers—managed to steal some code books from foreign embassies. For this they received "incentive awards" ranging from \$250 to \$500.

The Senators would like to know more about the private files Hoover kept on public officials and what use he made of them. John Mohr, a former top FBI official, has told TIME that he had been questioned three times by the committee about the dossiers assembled by Hoover on scores of people. Just what happened to some of the files after Hoover's death in 1972 is still a mystery.

Justice Dept. Looks Into Bureau Bribe Investigation

FBI Bid to Kill Probe Charged

By Ronald Kessler
Washington Post Staff Writer

"Shortly after he became director of the FBI, Clarence M. Kelley twice made unsuccessful attempts to stop a Justice Department investigation of [vestigation]."

an allegation that an FBI agent had been bribed by a member of the Mafia, according to an informed source. The FBI, the former prosecutor said, is a fact-finding agency that normally does not express opinions on whether

Kelley's requests, which were known to only a few FBI and department officials amounted to "pressure" and an attempt to suppress it [the investigation]."

Chief among these problems — which were confirmed by a second source — was the fact that the FBI immediately confronted Stabile with the bribe allegation before attempting to gather evidence against him.

Reaching him at his Hawley, Pa., country home, Caputo, 71, said

The charge was leveled; an investigation started by against New York FBI agent. Justice should be continued. In doing so, the source said, of the charge he paid off an FBI agent gave the agent, FBI agent, "I got nothing to treatment it would not give do with this."

Joseph Stabile by two fellow. Another former federal New York agents. One said prosecutor said the FBI, on others suspected of criminal Asked if he is a member of Stabile had admitted to him rare occasions, has expressed behavior.

such an opinion based on man- In addition, the source said, on. I have nice children. My that he took the bribe.

An investigation was closed when it turned up no evidence against Stabile. But the two agents who made the accusation told the Justice Department's organized crime strike force in Brooklyn that the FBI investigation had been a "cover-up," the source said. power considerations. But FBI intervention when it is a target of the investigation would be "improper," the former Justice Department official said. Sources familiar with the bribe allegation attributed Kelley's action to a feeling long held by FBI leaders that bribe allegation because many at the same time the FBI violated its own procedures by failing to inform the Justice Department that it was conducting an investigation of the bribe allegation. An FBI spokesman said Kelley cannot comment on the long held by FBI leaders that bribe allegation because many

Although Kelley's attempts were unsuccessful, the Justice Department investigation had been hampered, who is identified by the trial, to be held in U.S. district Court, is of John Caputo pending perjury trial.

asked high-ranking department officials in 1973 to call the Brooklyn prosecutors off the case on the grounds the FBI had found no violations of law.

In addition, the source said, Kelley complained that the Justice investigation was hurting FBI morale.

During the ensuing dispute, he said, Henry E. Petersen, then chief of the Criminal Division of Justice, informed the Brooklyn prosecutors of Kelley's attempts and told Kelley the investigation would continue.

Another source said Peter-
sen later cited the New York
incident to show the need for
an inspector general within
the Justice Department to pol-
ice the FBI.

Petersen, who has since left the Justice Department, confirmed recently that Kelley wanted the investigation stopped but could not recall how he had made his views known. Petersen said he would not dispute that it was in the form of a request.

"There was a difference of opinion, and ultimately the opinion of the Criminal Division prevailed, and the FBI acquiesced in that opinion," he said.

62-116395

January 26, 1976

1 - Mr. J. B. Adams
1 - Mr. T. J. Jenkins
1 - Mr. W. V. Cleveland
2 - Mr. J. A. Mintz
(1 - Mr. J. B. Hotis)
1 - Mr. H. N. Bassett
1 - Mr. E. W. Walsh
1 - Mr. W. R. Wannall
1 - Mr. W. O. Cregar
1 - Mr. S. F. Phillips
1 - Mr. R. J. McCarthy
1 - Mr. W. P. Baker

**U. S. SENATE SELECT COMMITTEE TO
STUDY GOVERNMENTAL OPERATIONS WITH
RESPECT TO INTELLIGENCE ACTIVITIES (SSC)**

RE: ALLEGATION NUMBER FOUR

Reference is made to SSC letter dated January 8, 1976, asking for FEI responses to eight questions concerning each of five allegations of FBI misconduct and abuse. In modification of the SSC letter, Mr. John T. Elliff, SSC Domestic Intelligence Task Force Director, advised Mr. W. O. Cregar of this Bureau on January 12, 1976, that the purpose of this inquiry is to learn what information is provided to the Attorney General consistent with his oversight responsibilities once an allegation surfaces in the media.

The following response concerns Allegation Four, which reads:

"The March 29, 1975, edition of 'The Washington Post' reported allegations that an FBI Agent had been 'bribed' by a member of the Mafia."

The response below is in the order and by numerical designation corresponding to the questions raised.

Assoc. Dir. _____

Dep. AD Adm. _____

Dep. AD Inv. _____

Asst. Dir. _____

Admin. _____

Comp. Syst. _____

Ext. Affairs _____

Files & Com. _____

Gen. Inv. _____

Ident. _____

Inspection _____

Intell. _____

Laboratory _____

Plan. & Eval. _____

Spec. Inv. _____

Training _____

Legal Coun. _____

Telephone Rm. _____

Director Sec'y _____

1. How did FBI Headquarters first become aware of the allegation?

ORIGINAL AND ONE COPY TO AG.

This document is prepared in response to your request and is not for dissemination outside your Committee. Its use is limited to official proceedings by your Committee and the content may not be disclosed to unauthorized personnel without the express approval of the FBI.

U. S. Senate Select Committee to
Study Governmental Operations With
Respect to Intelligence Activities (SSC)

FBI Headquarters was advised on February 10, 1973,
by the New York Office of the FBI.

2. Was an investigation or inspection conducted? If not,
was any other action taken?

Yes, a personnel matter investigation was instituted on
February 8, 1973.

3. How was the decision made to conduct (or not to conduct)
an inspection or investigation, or to take (or not to take) other action?

It has always been the operating procedure of the FBI to
immediately institute appropriate inquiry into any allegation made
concerning FBI personnel.

4. Which Division or operating level (headquarters or field)
conducted the inspection or investigation?

The New York office of the FBI and the FBI Headquarters'
Inspection Division conducted the investigation.

5. How was the decision made as to which Division or
operating level was to conduct the inspection or investigation?

Upon the recommendation of the Assistant Director in Charge
of the New York office of the FBI, that office conducted an in depth
investigation into the allegation. In August, 1973, after receipt of
information which added a new dimension to the matter, the Director
of the FBI instructed that the Inspection Division conduct all additional
inquiry.

U. S. Senate Select Committee to
Study Governmental Operations With
Respect to Intelligence Activities (SSC)

6. Was the original allegation reported to the Attorney General or any other Department of Justice official?

Yes, by letter to the Deputy Attorney General dated June 19, 1973, captioned "John Caputo - Results of Inquiry Concerning Alleged Bribery of FBI Agent in Anti-Racketeering Matter" and by letter to the Attorney General, with a copy to the Deputy Attorney General, dated July 25, 1973, bearing the same caption.

7. Were the results of the inspection or investigation reported to the Attorney General or any other Department of Justice official?

Yes, a report dated July 25, 1973, captioned "John Caputo; Eugene Statile; Bribery," was furnished to the Organized Crime and Racketeering Section of the Department of Justice on September 12, 1973. A report in the matter captioned "John A. Caputo, Et Al., Bribery, Perjury," dated May 23, 1975, was furnished to the Attorney General by letter dated June 4, 1975. Being delivered with this memorandum is a copy of that report together with a copy of the June 4, 1975, letter to the Attorney General.

8. Was prosecution or administrative action (e.g., suspension or dismissal) considered or taken?

No prosecutive action was taken against FBI personnel inasmuch as no information was developed which would in any way corroborate the allegation. It should be noted that John Caputo is currently awaiting trial in United States District Court, Eastern District of New York, on perjury charges relating to the bribery allegations.

Although the extensive investigation did not establish any evidence of dishonesty on the part of FBI personnel in connection with the allegation, it was determined that three Agents had been derelict with respect to longstanding administrative policies of the FBI. As a result, two of the Agents were censured and transferred and the third Agent was censured, placed on probation, transferred, and suspended for five days without pay.

1 - The Attorney General

U. S. Senate Select Committee to
Study Governmental Operations with
Respect to Intelligence Activities (SSC)

NOTE: A copy of referenced letter is attached to yellow of instant
letterhead memorandum. Material being supplied to the SSC to be
delivered with this letterhead memorandum by Legal Counsel Division.
A set of such material is being retained by the Senstudy 75 Project.

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PAUL R. SCHWARTZ, JR., CHIEF COUNSEL
CHARLES S. SMOTHERS, MINORITY COUNSEL

United States Senate

SELECT COMMITTEE TO
STUDY GOVERNMENTAL OPERATIONS WITH
RESPECT TO INTELLIGENCE ACTIVITIES
(PURSUANT TO S. RES. 21, 94TH CONGRESS)
WASHINGTON, D.C. 20510

January 8, 1976

Michael E. Shaheen, Jr., Esq.
Special Counsel for Intelligence Coordination
Office of the Deputy Attorney General
U. S. Department of Justice
Washington, D.C. 20530

Dear Mike:

One of the subjects which the Committee will be addressing in preparing its legislative recommendations involves the adequacy of the FBI's inspection procedures for handling allegations of misconduct and abuse. In this regard we are forwarding herewith a list of several such allegations which have been made during the past few years and concerning each of which we would appreciate your supplying us with the following information:

1. How did FBI Headquarters first become aware of the allegation?
2. Was an investigation or inspection conducted? If not, was any other action taken?
3. How was the decision made to conduct (or not to conduct) an inspection or investigation, or to take (or not to take) other action?
4. Which Division, or operating level (headquarters or field), conducted the inspection or investigation?
5. How was the decision made as to which Division or operating level was to conduct the inspection or investigation?
6. Was the original allegation reported to the Attorney General or any other Department of Justice official?



NW 89804 Dated: 32989576 Page 38

Michael E. Shaheen, Jr.
Page 2

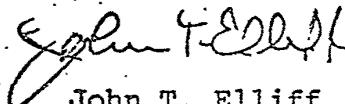
January 8, 1976

7. Were the results of the inspection or investigation reported to the Attorney General or any other Department of Justice official?
8. Was prosecution or administrative action (e.g., suspension or dismissal) considered or taken?
9. If any of the allegations on the attached list were made today, would they be handled by the newly-created office of Professional Responsibility? In what manner would they be handled? If an investigation were deemed warranted, which agency's personnel would do the investigating. In this regard, please also advise concerning which agency's personnel will be investigating recently-reported allegations that agents of the FBI "attempted to coerce" a House Select Committee on Intelligence witness "into repudiating his testimony before the select panel."

Answers to questions 1 - 7 should be accompanied by full back-up documentation, including memoranda, inspection or investigative reports, 302's, personnel reports, and communications to and from the field.

Your continued cooperation is appreciated.

Yours very truly,



John T. Elliff
Director
Domestic Intelligence Task Force

LIST OF ALLEGATIONS

1. The March 20, 1975 edition of the New York Times reported that "the Federal Bureau of Investigation has carried out kidnappings of a number of persons in the United States that it believed to be clandestine agents of foreign intelligence services, according to two former FBI agents."
2. The August 11, 1975 issue of Time Magazine reported the discovery of "Bureau manuals, documents and reports" in the apartment of a KGB "operative" who was described as the "mistress" of an FBI agent.
3. The August 11, 1975 issue of Time Magazine also reported that in 1961 a Bureau agent was "suspected of giving FBI reports to the Soviets."
4. The March 29, 1975 edition of the Washington Post reported allegations that an FBI agent had been "bribed by a member of the Mafia."
5. A recent edition of Time Magazine reported that "sensitive" FBI documents "were carried off in an FBI truck to West Virginia's Blue Mountain Ridge Club, a Shenandoah Mountain Hideaway used by innermost FBI officials for regular poker games with CIA and other cronies. The papers were burned in the Club's large fireplace."

3/20/75 My T

2 Former Agents Say

By JOHN M. CREWDSON
Special to The New York Times

WASHINGTON, March 19

The Federal Bureau of Investigation has carried out kidnappings of a number of persons in the United States that it believed to be clandestine agents of foreign intelligence services, according to two former F.B.I. agents with direct knowledge of such operations.

One of the former agents placed the number of such kidnappings over the years at

"fewer than 10" and said that, as far as he knew, the technique had not been employed.

Both men denied that physical torture was ever employed in such cases, although one was when you're playing for

"no longer going on."

A spokesman for the bureau said only that the bureau would adopt a "no-comment posture" with respect to the kidnapping.

A Pattern In Targets

Both of the agents said that, with one possible exception, the targets selected by the F.B.I. for kidnapping were suspected intelligence operatives from Communist countries who had entered the United States illegally with forged American passports and other identity documents.

The use of the kidnapping technique was also confirmed, although not in detail, by two other former F.B.I. agents.

In separate interviews, the two former agents who described the alleged kidnappings left open the possibility that, in one instance the bureau had arrested in kidnapping a person who proved not to be a deep-cover spy but a legitimate American citizen.

One of the agents conceded, however, that in every case the practice was "completely wrong—completely in violation of civil liberties. No question about it," he added.

"But he said, "In the business of intelligence, you're faced with the concept of expediency. That oftentimes leads you into extra-legal activities."

charged with a crime, to habeas corpus and to the assistance of counsel, among others.

Kidnapping, the former agent said, was a last resort used when no alternative means could be quickly found to interrogate a suspected subversive, or to "turn" him into a double agent willing to report to the F.B.I. on the activities of his own intelligence service.

It was, he said, "the type of thing that's never done lightly."

Both men denied that physical torture was ever employed in such cases, although one

was when you're playing for

"no longer going on."

A spokesman for the bureau said only that the bureau would adopt a "no-comment posture" with respect to the kidnapping.

Absence Not Noticed

Because the man was not operating under diplomatic cover, as many foreign espionage agents do, and was not otherwise an official personage, his extended absence went publicly unnoticed, the former agent said.

The spy, he said, knew his captors only as "U.S. intelligence agents," at least one of whom was with him constantly.

"Someone slept in the same bed with him. We even went with him to the bathroom," he said.

After weeks of intense interrogation the man broke and agreed to become a double agent and was told, in the former agent's words:

"You are a free man. Do you know what that means? If you leave here and do not

keep your promises we will do nothing further to you. But you have made a commitment with the concept of expediency, and we will take you at your word."

"The man did keep his word," the former agent said, and appeared at an appointed meeting with an F.B.I. intelligence agent a week later.

But the former agent acknowledged that the technique contained a critical flaw: The F.B.I. had no way of knowing whether the man, or others like him, reported their experiences to their own government, and thus became triple agents.

"Playing for Keeps"

The bureau's only legal alternatives in such cases, one lawyer said, were to turn such individuals over to the Immigration and Naturalization service for a deportation hearing or to charge them with illegal entry or espionage. To have held such an individual incommunicado for more than a day, the lawyer added, would have violated his rights to be formally arrested and against the domestic left or

F.B.I. Has Kidnapped Suspected Foreign Spies in U.S.

organized crime figures, but when he was a small child was recruited for operatives of the Soviet, K.G.B., or secret police, or representatives of other Soviet-bloc intelligence services.

The technique was particularly useful, he explained, when the F.B.I. feared that it was about to lose track of a suspected agent posing as an American citizen.

"You'd identify your man and follow him to develop who he was contacting here," the former agent said, "but you always ran the risk of losing him in 200 million people."

One instance in which that concern played an important part was described by the two former agents.

In the early nineteen-sixties, they recalled, a man walked casually into the recorder's office in a rural Middle West county seat near the Canadian border and asked for a copy of his birth certificate.

The man explained to the clerk that he had left the region

and was now seeking to document his family history. The name he gave was that of a former resident of the county, someone whom the records

clerk and others there remembered had suffered a permanent pelvic injury as a youth.

The inquiring man appeared

to walk perfectly, however, and the townspeople, their suspicions piqued, notified the local office of the F.B.I.

"Thank God the resident agent was on the ball," one of the sources said, "and went over and checked the matter out."

Likened to Soviet

The F.B.I., he said, placed the mysterious stranger under surveillance and eventually be-

came convinced that he was a Soviet intelligence agent who had penetrated the United States illegally.

When the local F.B.I. agents became concerned that they

would lose the suspect, they

interrogated, or while attempting to escape.

source recounted, a decision

was made "to hit him."

After receiving authorization directly from J. Edgar Hoover, the then F.B.I. director, a specially picked team of agents seized the suspect and rushed him to a secluded "safe house" of the bureau for interrogation, the two sources said.

One of the former agents described the interrogation as "a stern" one, and the other added that "this was rough business," though neither provided specific details of the ordeal to which the man was subjected.

Both sources described the operation as a success, but declined to elaborate on its precise disposition or the subject's present whereabouts.

One of the former agents maintained, however, that none of the suspected espionage agents involved in these operations had ever died as a direct result of the kidnapping or

interrogation, or while attempting to escape.

The first former agent con-

firmed these points, adding that

although the bureau never

operated a formalized "kidnap-never made in writing and that ping squad," at one time there was a coterie of agents who "could and would" carry out illegal high-risk operations such as burglaries and kidnappings.

But by the mid-nineteen-sixties, he said, these men had become convinced that Mr. Hoover would no longer back them and they refused to undertake such work without "paper" or written authorizations, which Mr. Hoover was unwilling to give.

Too Dangerous to Accept

"You'd call a guy up and ask him to do something," the source recalled, "and he'd remind you that he had two kids in college and he could see his retirement down the road!"

"This work was exceedingly dangerous," the second former F.B.I. man said. "You could get shot, you could get arrested."

The first former agent con-

firmed these points, adding that

although the bureau never

exists within the bureau's files. Knowledge of the kidnapping operations was "very, very closely held," he said, being limited to Mr. Hoover, who personally approved each of them; handful of top officials, who carried them out.

"Nobody will admit a damn thing," he said, pointing out that the crime of kidnapping carries no statute of limitations.

The lawyers interviewed in connection with the legality of these operations said, however, that federal and state kidnapping statutes had probably not been violated by the agents who carried out the abductions, since no ransom was extracted.

Because "the best interests of the country would not be served by pursuing that investigation," the man declined to identify either the F.B.I. agents or the suspected subversives involved in the kidnapping.

10/26 1109:11/11/73

FBI

E Seduced by the KGB

P.19

While concentrating its efforts upon the CIA, Senator Frank Church's special committee that is investigating U.S. intelligence programs has also been accumulating data on the FBI. Last week TIME learned that the committee has heard some startling reports of misdeeds, break-ins and cover-ups, including the story of an agent whose mistress was linked to the Soviet KGB.

The affair was discovered in 1963 when a CIA source in Moscow reported that KGB officials were jubilant about getting one of their operatives in bed with an FBI agent. To check out the CIA's report, the FBI broke into the apartment of the woman, a middle-aged waitress, and discovered bureau manuals, documents and reports. Some FBI officials urged prosecution, but J. Edgar Hoover's palace guard of deputies stopped the inquiry to avoid embarrassing the bureau and its boss. The agent was simply allowed to resign. The KGB also appears to have penetrated the FBI in 1961. In this case, the agent suspected of giving FBI reports to the Soviets (a polygraph test on him was inconclusive) was fired on a minor technicality.

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The Senators would like to know more about the private files Hoover kept on public officials and what use he made of them. John Mehr, a former top FBI official, has told TIME that he had been questioned three times by the committee about the dossiers assembled by Hoover on scores of people. Just what happened to some of the files after Hoover's death in 1972 is still a mystery.

LEVI ASKS INQUIRY IN ATTACK ON F.B.I.

Special to The New York Times

WASHINGTON, Jan. 6—Attorney General Edward H. Levi has asked the Justice Department's new internal inspection unit to investigate an assertion by the House Select Committee on Intelligence that the Federal Bureau of Investigation attempted to coerce a committee witness into repudiating his testimony before the select panel.

A Justice Department spokesman said that Mr. Levi, responding to a request for information about the incident from A. Searle Field, the committee's staff director, had assigned the matter for investigation to the department's newly created Office of Professional Responsibility.

In a letter to Mr. Levi last week, Mr. Field reported that the witness, Martin L. Kaiser, had disavowed part of his committee testimony after a six-hour interrogation by F.B.I. agents.

Mr. Kaiser heads a Maryland company that makes electronic eavesdropping equipment for the F.B.I. and other Federal law enforcement agencies.

His testimony before the House Committee in October raised the possibility that some F.B.I. agents had received kickbacks when another electronics company sold to the F.B.I. material it had acquired from Mr. Kaiser's concern.

Justice Dept. Looks Into Bureau Bribe Investigation

FBI Bid to Kill Probe Charged

By Ronald Kessler

Washington Post Staff Writer

The informed source said: pered by the FBI's handling of FBI as a member of the Luchese Kelley's requests, which were case before Kelley became New York Mafia family.

Shortly after he became director in July, 1973, one source said.

Shortly after he became known to only a few FBI and director of the FBI, Clarence M. Kelley twice made unsuccessful "pressure" and an "attempts to stop a Justice tempt to suppress it [the in-

Department investigation of investigation]."

The FBI, the former prosecutor had been bribed by a, cators said, is a fact-finding agency that normally does not express opinions on whether him.

The charge was leveled an investigation started by against New York FBI agent Justice should be continued.

Another former federal New York agents. One said prosecutor said the FBI, on others suspected of criminal

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such an opinion based on man- power considerations. But FBI at that same time the FBI vi-

intervention when it is a tar- get of the investigation would be "improper," the former Justice Department official said.

Sources familiar with the bribe allegation attributed: An FBI spokesman said Kel-

Kelley's action to a feeling he cannot comment on the

long held by FBI leaders that bribe allegation because many

any hint of corruption would irreparably damage the bu-

reau's image and effective-

ness.

Despite the origin of the Justice Department investiga- tion, the source said, Kelley asked high-ranking depart-

ment officials in 1973 to call the Brooklyn prosecutors off

the case on the grounds the FBI had found no violations of

law.

In addition, the source said, Kelley complained that the Justice investigation was hurting FBI morale.

During the ensuing dispute, he said, Henry E. Petersen, then chief of the Criminal Di-

vision of Justice, informed the Brooklyn prosecutors of Kelley's attempts and told Kelley the investigation would con-

inue.

Another source said Peter-

sen later cited the New York

incident to show the need for

an inspector general within

the Justice Department to pol-

ice the FBI.

Petersen, who has since left

the Justice Department, con-

firmed recently that Kelley

wanted the investigation stop-

ped but couldn't recall how

he had made his views known.

Petersen said he would not

dispute that it was in the form

of a request.

"There was a difference of

opinion, and ultimately the

opinion of the Criminal Divi-

sion prevailed, and the FBI ac-

quiesced in that opinion," he said.

Chief among these problems, which were confirmed by a second source — was the fact that the FBI immediately confronted Stabile with the bribe allegation before attempting to gather evidence against

FBI agents that he paid off New York city policemen.

Reached at his Hawley, Pa.,

country home Caputo, 71, said

of the charge he paid off an

FBI agent, "I got nothing to do with this."

In doing so, the source said, the FBI agent gave the agent

treatment it would not give do with this."

Asked if he is a member of

the mafia, Caputo said, "come

on, I have nice children. My

kids went to nice Catholic

schools. They say you're with

this, with that."

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the mafia, Caputo said, "come

on, I have nice children. My

kids went to nice Catholic

schools. They say you're with

this, with that."

Many of the essential facts

surrounding the bribe allega-

tion — including the identity of

the accused agent, Stabile —

were revealed in pretrial tes-

timony taken last month for

Caputo's pending perjury

trial.

During an investigation of the

bribe allegation attributed:

An FBI spokesman said Kel-

Kelley's action to a feeling he cannot comment on the

long held by FBI leaders that bribe allegation because many

of the same issues will be

raised in a Brooklyn perjury

trial scheduled to begin April

14.

The trial, to be held in U.S.

District Court, is of John Ca-

puto, who is identified by the

62-116395

January 26, 1976

This document is prepared in response to your request and is not for dissemination outside your Committee and the conduct may not be disclosed to unauthorized persons and without the express approval of the FBI.

**U. S. SENATE SELECT COMMITTEE TO
STUDY GOVERNMENTAL OPERATIONS WITH
RESPECT TO INTELLIGENCE ACTIVITIES (SSC)**

RE: ALLEGATION NUMBER 5

Reference is made to SSC letter dated January 3, 1976, asking for FBI responses to eight questions concerning each of five allegations of FBI misconduct and abuse. In modification of the SSC letter, Mr. John T. Elliff, SSC Domestic Intelligence Task Force Director, advised Mr. W. O. Cregar of this Bureau on January 12, 1976, that the purpose of this inquiry is to learn what information is provided to the Attorney General consistent with his oversight responsibilities once an allegation surfaces in the media.

The following response concerns Allegation Number 5 which reads:

A recent edition of Time Magazine reported that "sensitive" FBI documents "were carried off in an FBI truck to West Virginia's Blue Mountain Ridge Club, a Shenandoah Mountain Hideaway used by innermost FBI officials for regular poker games with CIA and other cronies. The papers were burned in the Club's large fireplace."

The response below is in the order and by numerical designation corresponding to the questions raised.

jmh JF AW wbc B

1. How did FBI Headquarters first become aware of the allegation?

per

Time Magazine dated December 15, 1975, on pages 10, 11 and 12, contained an article captioned "Hoover's Political Spying for Presidents." Within this article, and specifically on page 11, column 3, paragraph 2, the article states:

HNByes

1 - Mr. Adams
1 - Mr. Jenkins
2 - Mr. Mintz
(1 - Mr. J. B. Hotis)

1 - Mr. H. N. Bassett
1 - Mr. Walsh
1 - Mr. Wannall
1 - Mr. W. O. Cregar
1 - Mr. S. F. Phillips

ORIGINAL AND ONE COPY TO AG.

See Note Page 3.

JAC:jmh (13)
MAIL ROOM TELETYPE UNIT
Telephone Rm. Director Sec'y

NW 89804 DocId:32989576 Page 46

GPO : 1975 O - 569-920

U. S. Senate Select Committee to
Study Governmental Operations with
Respect to Intelligence Activities (SSC)

"Before Secretary Gandy could look at them in Hoover's house, the most sensitive papers were carried off in an FBI truck to West Virginia's Blue Ridge Club, a Shenandoah Mountain hideaway used by innermost FBI officials for regular poker games with CIA and other cronies. There the papers were burned in the club's large fireplace. Precisely who ordered this destruction and carried it out has not been disclosed. The three-story club, valued at up to \$200,000, burned to the ground in a fire of undetermined cause on Nov. 23. No evidence of arson has been discovered."

2. Was an investigation or inspection conducted? If not, was any other action taken?

An investigation was conducted on December 16 and 17, 1975.

3. How was the decision made to conduct (or not to conduct) an inspection or investigation, or to take (or not to take) other action?

Based on an inquiry conducted by the Inspection Division in January, 1975, inquiring into the "Official and Confidential" files of former Director J. Edgar Hoover and subsequent inquiries made by the Inspection Division concerning these papers, this Time Magazine article set forth an allegation which had not previously come to the attention of the FBI. Accordingly, inquiry was made concerning this allegation in order to advise both the Director of the FBI and the Attorney General as to whether there was any validity to the allegation.

4. Which Division or operating level (Headquarters or field) conducted the inspection or investigation?

The Inspection Division, FBI Headquarters.

5. How was the decision made as to which Division or operating level was to conduct the inspection or investigation?

An article appeared in the January 19, 1975, issue of The Washington Post which in part stated the FBI "during J. Edgar Hoover's reign" compiled files containing information on the personal lives of senators and congressmen.

U. S. Senate Select Committee to
Study Governmental Operations with
Respect to Intelligence Activities (SSC)

On January 21, 1975, FBI Director Kelley instructed the Inspection Division to conduct inquiry concerning the "Official and Confidential" files of Mr. Hoover. The results of that inquiry were submitted to the Attorney General by memorandum dated February 11, 1975.

The allegation set forth in the Time Magazine article dated December 15, 1975, and the reference to "sensitive papers" being taken from Mr. Hoover's house appeared to be alluding to Mr. Hoover's "Official and Confidential" files. The Inspection Division, having previously been charged with responsibility of conducting inquiry concerning these particular files, initiated action on its own to resolve this latest allegation.

6. Was the original allegation reported to the Attorney General or any other Department of Justice official?

Yes, by letter to the Attorney General dated December 24, 1975. Delivered with this memorandum is the back-up documentation.

7. Were the results of the inspection or investigation reported to the Attorney General or any other Department of Justice official?

Yes. See response to question number 6 above.

8. Was prosecution or administrative action (e.g., suspension or dismissal) considered or taken?

The inquiry failed to develop evidence in support of the allegation concerning the alleged transportation and destruction of "sensitive papers." Accordingly, no further action was warranted.

NOTE: A copy of referenced letter is attached to yellow of instant LHM. Material being supplied to the SSC will be delivered with this LHM by Legal Counsel Division. A set of such material is being retained by the Senstudy 75 Project.

FRANK CHURCH, IDAHO, CHAIRMAN
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CURTIS R. SMOOTHERS, MINORITY COUNSEL

United States Senate

SELECT COMMITTEE TO
STUDY GOVERNMENTAL OPERATIONS WITH
RESPECT TO INTELLIGENCE ACTIVITIES
(PURSUANT TO S. RES. 21, 94TH CONGRESS)

WASHINGTON, D.C. 20510

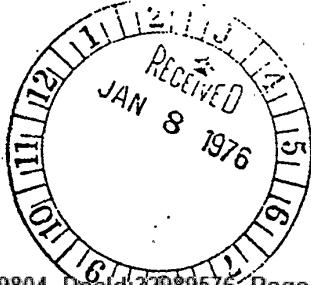
January 8, 1976

Michael E. Shaheen, Jr., Esq.
Special Counsel for Intelligence Coordination
Office of the Deputy Attorney General
U. S. Department of Justice
Washington, D.C. 20530

Dear Mike:

One of the subjects which the Committee will be addressing in preparing its legislative recommendations involves the adequacy of the FBI's inspection procedures for handling allegations of misconduct and abuse. In this regard we are forwarding herewith a list of several such allegations which have been made during the past few years and concerning each of which we would appreciate your supplying us with the following information:

1. How did FBI Headquarters first become aware of the allegation?
2. Was an investigation or inspection conducted? If not, was any other action taken?
3. How was the decision made to conduct (or not to conduct) an inspection or investigation, or to take (or not to take) other action?
4. Which Division, or operating level (headquarters or field), conducted the inspection or investigation?
5. How was the decision made as to which Division or operating level was to conduct the inspection or investigation?
6. Was the original allegation reported to the Attorney General or any other Department of Justice official?



NW 89804 DocId:32989576 Page 49

Michael E. Shaheen, Jr.
Page 2

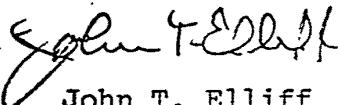
January 8, 1976

7. Were the results of the inspection or investigation reported to the Attorney General or any other Department of Justice official?
8. Was prosecution or administrative action (e.g., suspension or dismissal) considered or taken?
9. If any of the allegations on the attached list were made today, would they be handled by the newly-created office of Professional Responsibility? In what manner would they be handled? If an investigation were deemed warranted, which agency's personnel would do the investigating. In this regard, please also advise concerning which agency's personnel will be investigating recently-reported allegations that agents of the FBI "attempted to coerce" a House Select Committee on Intelligence witness "into repudiating his testimony before the select panel."

Answers to questions 1 - 7 should be accompanied by full back-up documentation, including memoranda, inspection or investigative reports, 302's, personnel reports, and communications to and from the field.

Your continued cooperation is appreciated.

Yours very truly,



John T. Elliff
Director
Domestic Intelligence Task Force

LIST OF ALLEGATIONS

5
1. The March 20, 1975 edition of the New York Times reported that "the Federal Bureau of Investigation has carried out kidnappings of a number of persons in the United States that it believed to be clandestine agents of foreign intelligence services, according to two former FBI agents."

3+5
2. The August 11, 1975 issue of Time Magazine reported the discovery of "Bureau manuals, documents and reports" in the apartment of a KGB "operative" who was described as the "mistress" of an FBI agent. *Jack Freeman*

3+5
3. The August 11, 1975 issue of Time Magazine also reported that in 1961 a Bureau agent was "suspected of giving FBI reports to the Soviets." *W.F. Spenser*

3,9+10
4. The March 29, 1975 edition of the Washington Post reported allegations that an FBI agent had been "bribed by a member of the Mafia." *Caputo Case*

10
5. A recent edition of Time Magazine reported that "sensitive" FBI documents "were carried off in an FBI truck to West Virginia's Blue Mountain Ridge Club, a Shenandoah Mountain Hideaway used by innermost FBI officials for regular poker games with CIA and other cronies. The papers were burned in the Club's large fireplace."

LEVI ASKS INQUIRY IN ATTACK ON F.B.I.

Special to The New York Times

WASHINGTON, Jan. 6—Attorney General Edward H. Levi has asked the Justice Department's new internal inspection unit to investigate an assertion by the House Select Committee on Intelligence that the Federal Bureau of Investigation attempted to coerce a committee witness into repudiating his testimony before the select panel.

A Justice Department spokesman said that Mr. Levi, responding to a request for information about the incident from A. Searle Field, the committee's staff director, had assigned the matter for investigation to the department's newly created Office of Professional Responsibility.

In a letter to Mr. Levi last week, Mr. Field reported that the witness, Martin L. Kaiser, had disavowed part of his committee testimony after a six-hour interrogation by F.B.I. agents.

Mr. Kaiser heads a Maryland company that makes electronic eavesdropping equipment for the F.B.I. and other Federal law enforcement agencies.

His testimony before the House Committee in October raised the possibility that some F.B.I. agents had received kickbacks when another electronics company sold to the F.B.I. material it had acquired from Mr. Kaiser's concern.

Alleged Violations

Several lawyers, including representatives of the American Civil Liberties Union, pointed out that an alien illegally in this country is by law afforded many of the same guarantees of due process as American citizens.

The bureau's only legal alternatives in such cases, one lawyer said, were to turn such individuals over to the Immigration and Naturalization service for a deportation hearing or to charge them with illegal entry or espionage. To have held such an individual incommunicado for more than a day, the lawyer added, would have violated his rights to be formally arrested and against the domestic

lawyer for keeps' The use of kidnapping, one of the former agents emphasized, "was a tough game. That was when you're playing for keeps," he said. He said that, to his knowledge, it was never employed in such cases, one lawyer said, were to turn such individuals over to the Immigration and Naturalization service for a deportation hearing or to charge them with illegal entry or espionage. To have held such an individual incommunicado for more than a day, the lawyer added, would have violated his rights to be formally arrested and against the domestic

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The man did keep his word;

the former agent said, and appeared at an appointed meeting with an F.B.I. intelligence agent a week later.

But the former agent acknowledged that the technique contained a critical flaw: The F.B.I. had no way of knowing whether the man, or others like him, reported their experiences to their own government, and thus became triple agents.

Playing for keeps' The use of kidnapping, one of the former agents emphasized, "was a tough game. That was when you're playing for keeps," he said. He said that, to his knowledge, it was never employed in such cases, one lawyer said, were to turn such individuals over to the Immigration and Naturalization service for a deportation hearing or to charge them with illegal entry or espionage. To have held such an individual incommunicado for more than a day, the lawyer added, would have violated his rights to be formally arrested and against the domestic

2 Former Agents Say

By JOHN M. CREWDSON
Special to The New York Times

WASHINGTON, March 19—

The Federal Bureau of Investigation has carried out kidnappings of a number of persons in the United States that it believed to be clandestine agents of foreign intelligence services, according to two former F.B.I. agents with direct knowledge of such operations.

One of the former agents placed the number of such kidnappings over the years at

"fewer than 10" and said that, as far as he knew, the technique had not been employed by the bureau since the mid-nineteen-sixties.

He said that its use had been occasioned by such cold-war incidents as the Cuban missile crisis "when things were pretty rough," and that he was "certain that this is no longer going on."

A spokesman for the bureau said only that the bureau would adopt "a no-comment posture" with respect to the kidnapping allegations.

A Pattern in Targets

Both of the agents said that, with one possible exception, the targets selected by the F.B.I. for kidnapping were suspected intelligence operatives from Communist countries who had entered the United States illegally with forged American passports and other identity documents.

The use of the kidnapping technique was also confirmed, although not in detail, by two other former F.B.I. agents.

In separate interviews, the two former agents who described the alleged kidnappings left open the possibility that in one instance the bureau had erred in kidnapping a person who proved not to be a deep-cover spy but a legitimate American citizen.

One of the agents conceded, however, that in every case the practice was "completely wrong—completely in violation of civil liberties. No question about it," he added.

But he said, "In the business of intelligence, you're faced with the concept of expediency. That oftentimes leads you into extra-legal activities."

charged with a crime, to habeas corpus and to the assistance of counsel, among others.

Kidnapping, the former agent said, was a last resort used when no alternative means could be quickly found to interrogate a suspected subversive, or to "turn" him into a double agent willing to report to the F.B.I. on the activities of his own intelligence service.

It was, he said, "the type of thing that's never done lightly."

Both men denied that physical torture was ever employed in such cases, although one said that, when a suspect had been located, "You'd pick him up and take him somewhere

and work him over." The victims were often threatened with death as punishment for noncooperation, he added.

One of the former agents maintained, however, that mental duress was an important part of such interrogations, and he described one case in which a person was seized and detained in an F.B.I. "safe house" for "several weeks."

Absence Not Noticed

Because the man was not operating under diplomatic cover, as many foreign espionage agents do, and was not otherwise an official personage, his extended absence went publicly unnoticed, the former agent said.

The spy, he said, knew his captors only as "U.S. intelligence agents," at least one of whom was with him constantly.

"Someone slept in the same bed with him. We even went with him to the bathroom," he said.

After weeks of intense interrogation the man broke and agreed to become a double agent and was told, in the former agent's words:

"You are a free man. Do you know what that means? If you leave here and do not keep your promises we will do nothing further to you. But

"But he said, "In the business of intelligence, you're faced with the concept of expediency. and we will take you at your word." That oftentimes leads you into extra-legal activities."

F.B.I. Has Kidnapped Suspected Foreign Spies in U.S.

organized crime figures, but was received for operatives of the Soviet K.G.B., or secret police, or representatives of other Soviet-bloc intelligence services.

The technique was particularly useful, he explained, when the F.B.I. feared that it was about to lose track of a suspected agent posing as an American citizen.

"You'd identify your man and follow him to develop who he was contacting here," the former agent said, "but you always ran the risk of losing him in 200 million people."

One instance in which that concern played an important part was described by the two former agents.

In the early nineteen-sixties, they recalled, a man walked casually into the recorder's office in a rural Middle West county seat near the Canadian border and asked for a copy of his birth certificate.

The man explained to the clerk that he had left the region

when he was a small child and was now seeking to document his family history. The name he gave was that of a former resident of the county, someone whom the records clerk and others there remembered had suffered a permanent pelvic injury as a youth.

The inquiring man appeared to walk perfectly, however, and the townspeople, their suspicions piqued, notified the local office of the F.B.I.

"Thank God the resident agent was on the ball," one of the sources said, "and went over and checked the matter out."

Linked to Soviet

The F.B.I., he said, placed the mysterious stranger under surveillance and eventually became convinced that he was a Soviet intelligence agent who had penetrated the United States illegally.

When the local F.B.I. agents became concerned that they would lose the suspect, they

After receiving authorization directly from J. Edgar Hoover, the late F.B.I. director, a specially picked team of agents seized the suspect and rushed him to a secluded "safe house" of the bureau for interrogation, the two sources said.

One of the former agents described the interrogation as a "stern" one, and the other added that "this was tough business," though neither provided specific details of the ordeal to which the man was subjected.

Both sources described the operation as a success, but declined to elaborate on its precise disposition or the subject's present whereabouts.

One of the former agents maintained, however, that none of the suspected espionage agents involved in these operations had ever died as a direct result of the kidnapping or interrogation, or while attempting to escape.

The former agent said that

operated a formalized "kidnap ping squad," at one time there was a coterie of agents who exists within the bureau's files. "could and would" carry out illegal high-risk operations such as burglaries and kidnappings. Knowledge of the kidnapping operations was "very, very closely held," he said, being limited to Mr. Hoover, who

himself personally approved each of them; a handful of top officials, and the agents in the field who carried them out.

"Nobody will admit a damn thing," he said, pointing out that the crime of kidnapping carries no statute of limitations.

The lawyers interviewed in connection with the legality of these operations said, however, that Federal and state kidnapping statutes had probably not been violated by the agents who carried out the abductions, since no ransom was extracted.

Because "the best interests of the country would not be served by pursuing that investigation," the man declined to identify either the F.B.I. agents or the suspected subversives involved in the kidnappings.

TM-12-1106 1109.11.1975

FBI

E Seduced by the KGB

P.19

While concentrating its efforts upon the CIA, Senator Frank Church's special committee that is investigating U.S. intelligence programs has also been accumulating data on the FBI. Last week TMM learned that the committee has heard some startling reports of misdeeds, break-ins and cover-ups, including the story of an agent whose mistress was linked to the Soviet KGB.

The affair was discovered in 1968 when a CIA source in Moscow reported that KGB officials were jubilant about getting one of their operatives in bed with an FBI agent. To check out the CIA's report, the FBI broke into the apartment of the woman, a middle-aged waitress, and discovered bureau manuals, documents and reports. Some FBI officials urged prosecution, but J. Edgar Hoover's palace guard of deputies stopped the inquiry to avoid embarrassing the bureau and its boss. The agent was simply allowed to resign. The KGB also appears to have penetrated the FBI in 1961. In this case, the agent suspected of giving FBI reports to the Soviets (a polygraph test on him was inconclusive) was fired on a minor technicality.

The Church committee has also turned up evidence of a variety of extra-legal activities practiced by the FBI. The bureau is said to have maintained special schools to train agents in the techniques of the "bag job," a euphemism for breaking and entering. The graduates—lockpickers, burglars and a few safecrackers—managed to steal some code books from foreign embassies. For this they received "incentive awards" ranging from \$250 to \$500.

The Senators would like to know more about the private files Hoover kept on public officials and what use he made of them. John Mohr, a former top FBI official, has told TMM that he had been questioned three times by the committee about the dossiers assembled by Hoover on scores of people. Just what happened to some of the files after Hoover's death in 1972 is still a mystery.

Justice Dept. Looks Into Bureau Bribe Investigation

FBI Bid to Kill Probe Charged

By Ronald Kessler
Washington Post Staff Writer

The informed source said: permed by the FBI's handling of FBI as a member of the Luchese Kelley's requests, which were the case before Kelley became New York Mafia family. Shortly after he became director of the FBI, Clarence M. Kelley twice made unsuccessful "pressure" and an "attempts to stop a Justice tempt to suppress it [the investigation of investigation]."

an allegation that an FBI agent had been bribed by a member of the Mafia, according to an informed source.

The charge was leveled against New York FBI agent Joseph Stabile by two fellow New York agents. One said Stabile had admitted to him that he took the bribe.

An investigation was closed when it turned up no evidence against Stabile. But the two agents who made the accusations told the Justice Department's organized crime strike force in Brooklyn that the FBI investigation had been a "cover-up," the source said.

This triggered a Justice Department investigation, which is continuing, the source said.

Despite the origin of the Justice Department investigation, the source said, Kelley asked high-ranking department officials in 1973 to call the Brooklyn prosecutors off the case on the grounds the FBI had found no violations of law.

In addition, the source said, Kelley complained that the Justice investigation was hurting FBI morale.

During the ensuing dispute, he said, Henry E. Petersen, then chief of the Criminal Division of Justice, informed the Brooklyn prosecutors of Kelley's attempts and told Kelley the investigation would continue.

Another source said Petersen later cited the New York incident to show the need for an inspector general within the Justice Department to police the FBI.

Petersen, who has since left the Justice Department, confirmed recently that Kelley wanted the investigation stopped but could not recall how he had made his views known. Petersen said he would not dispute that it was in the form of a request.

"There was a difference of opinion, and ultimately the opinion of the Criminal Division prevailed, and the FBI acquiesced in that opinion," he said.

Known to only a few FBI and department officials amounted source said.

Chief among these problems — which were confirmed by a second source — was the fact that the FBI immediately confronted Stabile with the bribe allegation before attempting to gather evidence against him.

In doing so, the source said, Justice should be continued. Another former federal prosecutor said the FBI, on rare occasions, has expressed such an opinion based on power considerations. But FBI at that same time the FBI violated its own procedures by failing to inform the Justice

Department that it was conducting an investigation of the bribe allegation attributed to Kelley's action to a feeling. Kelley cannot comment on the long held by FBI leaders that any hint of corruption would irreparably damage the bureau's image and effectiveness.

Sources familiar with the bribe allegation attributed to Kelley's action to a feeling. Kelley cannot comment on the long held by FBI leaders that any hint of corruption would irreparably damage the bureau's image and effectiveness.

Although Kelley's attempts were unsuccessful, the Justice investigation had been hampered by the

Caputo is alleged to have bribed Stabile.

The trial, however, centers on the question of whether Caputo lied when he told a grand jury he had not admitted to FBI agents that he paid off New York city policemen.

Reached at his Hawley, Pa., country home Caputo, 71, said of the charge he paid off an FBI agent, "I got nothing to do with this."

Asked if he is a member of the mafia, Caputo said, "come on. I have nice children. My kids went to nice Catholic schools. They say you're with that."

Many of the essential facts surrounding the bribe allegation — including the identity of the accused agent, Stabile — were revealed in pre-trial testimony taken last month for Caputo's pending perjury trial.

5-140 (Rev. 1-21-74) FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

Addressee: SENATE SELECT COMMITTEE, 26

LTR LHM Memo Report dated 1/23/76

U. S. SENATE SELECT COMMITTEE.

Caption of Document:

*inspection procedures for
1/8/76 request misconduct or abuse*

Originating Office: FBI 1045A

Delivered by: Richard J. Taylor Date: 1/28/76

Received by: M. T. Epstein

Title: _____

Return this receipt to the Intelligence Division, FBI

SSC Request 1/8/76
Allegation Number 2
Question Number 7

Excisions are for reason of privacy or due
to Third Agency/sensitive foreign intelligence
operations considerations.

For Retention

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PERS. REC. UNIT

The Attorney General

August 6, 1975

ST
C Director, FBI

"TIME" MAGAZINE ARTICLE
CONCERNING KGB PENETRATION
OF FBI IN 1961 AND 1968
INTERNAL SECURITY - RUSSIA

Karl Brueker

A representative of CIA advised this Bureau on July 31, 1975, that Mr. Strobel/Talbert of "Time" magazine contacted CIA and indicated that he was preparing an article concerning an alleged cover-up by the FBI of a Soviet intelligence penetration of our New York Division during 1968. According to Talbert, he has information from two sources that a waitress named Edie was a Soviet agent and was involved with a Special Agent of the FBI assigned to the New York Division. According to Talbert, this Special Agent was permitted to resign quietly. Talbert advised CIA that according to one of his sources, CIA learned of this penetration from a CIA source in Moscow and passed the information to the FBI. Talbert stated he was trying to find out from CIA whether this story would endanger CIA's source. CIA advised Talbert that there was nothing in their files concerning such an episode.

Talbert's story appears in the issue of "Time" dated August 11, 1975. However, in the article, the waitress is unnamed and the FBI is also alleged to have broken into her apartment. There is an additional reference in the article to a 1961 penetration of the FBI by the Soviets.

Talbert's story is a distortion of an incident involving a former Special Agent of the New York Division with a waitress named Edith Larkins. Larkins was employed in a delicatessen which was one block from our New York FBI office and Enclosure JEN:yi

EX-106 REC-1 62-107765-1 SEE NOTE PAGE 3

SECRET

MAILED 20
Classified by 4001
AUG Excerpt from GDS, Categories 2 and 5
Date of Declassification Indefinite
FBI NATIONAL SECURITY INFORMATION

Unauthorized Disclosure

Subject to Criminal Sanctions

ROUTED IN ENVELOPE

1075 ROOM TELETYPE UNIT
NW 089804 DocId:32989576 Page 59

GPO 95-546

SECRET

The Attorney General

which was, for a period of time, frequented by FBI personnel. That restaurant, along with others in the area, was also frequented by Soviet personnel, as the Soviet Mission to the United Nations is located within two blocks of our office in New York. This Bureau had learned through its sensitive intelligence sources that Soviet intelligence was targeting against our personnel and was attempting to overhear their conversations in restaurants in the area.

The then head of our New York Division was deeply concerned about this Soviet activity as he was also concerned over the knowledge that [Edith Larkin] had of FBI office matters. [Larkin], in her conversations with FBI personnel at the delicatessen, often commented on such matters as travel by FBI personnel or on other administrative matters and appeared to have an unusual knowledge of and interest in the activities of our New York Division. A discreet physical surveillance was instituted on [Edith Larkin] and that surveillance revealed that SA [John King Friedman] remained overnight at her apartment.

SA [Friedman] was interviewed on July 18, 1968, and admitted that he had been having an affair with [Edith Larkin] over the last three years. He denied under oath furnishing her any classified information. However, he did admit that he had given her such nonclassified documents as the "FBI Law Enforcement Bulletin." No evidence was developed indicating [Edith Larkin] had any intelligence role, and she was interviewed on July 18, 1968, and denied SA [Friedman] had divulged classified matters to her. SA [Friedman] resigned on July 18, 1968.

With regard to the 1961 matter, the "Time" article is essentially accurate with the exception that the Special Agent in question was not "fired on a minor technicality," but resigned in 1965 following information having been developed that he had falsified reports.

In early 1962, the FBI received a letter signed by one Karl Brucker stating that if we covered a telephone booth in the Washington, D. C., suburbs at a specified time, we

SECRET

- 2 -

SECRET

The Attorney General

would identify an individual who was selling FBI reports on foreign officials. That letter, we now believe, was written by a Soviet intelligence officer.

We covered the telephone booth in question and former SA [REDACTED] Spenger, now deceased, was observed in the telephone booth at the specified time. SA [REDACTED] Spenger was given a polygraph examination and no attempt at deception was noted in his denial. In the absence of any evidence establishing he had committed espionage, the only course open was to reassign him in nonsensitive matters and this was done.

From a sensitive source, this Bureau subsequently learned that an FBI man had furnished two reports to the Soviets but when they did not pay the money he asked for, he had broken with them. Copies of the reports in question were missing from the files of our Washington Field Office.

After intensive investigation and analysis, it was concluded that SA [REDACTED] Spenger was the individual referred to in the Drucker letter and was the individual about whom the source provided information. We did not have at the time, and we do not have today, however, admissible evidence to prove this.

This information is being furnished to you because I want you to be aware of all the facts and to know that there was no cover-up.

The "Time" magazine story, as it relates to the 1968 matter, is inaccurate in that it attributes the original information about FBI penetration to a CIA source which is not the case; in that it alleges that the waitress was a KGB agent, and there was no evidence to support that assertion; and in that it states we broke into her apartment and recovered documents and reports, whereas she consented to the interview and the items recovered were public source publications. There was no cover-up. The FBI took personnel action to resolve a personnel matter.

Enclosed for your information is a copy of the "Time" NOTE: article.

See memorandum W. A. Branigan to Mr. W. R. Wannall dated 8/5/75 captioned same, prepared by JEN:yi.

SECRET

SSC Request 1/8/76
Allegation Number 3
Question Number 7

Excisions are for reason of privacy or due
to Third Agency/sensitive foreign intelligence
operations considerations.

For Retention

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PERS. REC. UNIT

The Attorney General

August 6, 1975

ST
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Director, FBI

"TIME" MAGAZINE ARTICLE
CONCERNING KGB PENETRATION
OF FBI IN 1961 AND 1968
INTERNAL SECURITY - RUSSIA

Karl Bricker

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EX-106 REC-1 62-107765-1

SEE NOTE PAGE 3

JEN:yi
(3)

SECRET

MAILED 20
Classified by 4001 160
AUG Extract from GDS, Categories 2 and 3 AUG 19 1975
Date of Declassification Indefinite
FBI

NATIONAL SECURITY INFORMATION

Unauthorized Disclosure

Subject to Criminal Sanctions

Director's Log-28 1976 ROOM TELETYPE UNIT
NW 89804 DocId:32989576 Page 63

GPO 934-546

SECRET

The Attorney General

which was, for a period of time, frequented by FBI personnel. That restaurant, along with others in the area, was also frequented by Soviet personnel, as the Soviet Mission to the United Nations is located within two blocks of our office in New York. This Bureau had learned through its sensitive intelligence sources that Soviet intelligence was targeting against our personnel and was attempting to overhear their conversations in restaurants in the area.

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SA Frieman was interviewed on July 18, 1968, and admitted that he had been having an affair with Edith Larkin over the last three years. He denied under oath furnishing her any classified information. However, he did admit that he had given her such nonclassified documents as the "FBI Law Enforcement Bulletin." No evidence was developed indicating Edith Larkin had any intelligence role, and she was interviewed on July 19, 1968, and denied SA Frieman had divulged classified matters to her. SA Frieman resigned on July 18, 1968.

With regard to the 1961 matter, the "Time" article is essentially accurate with the exception that the Special Agent in question was not "fired on a minor technicality," but resigned in 1965 following information having been developed that he had falsified reports.

✓ In early 1962, the FBI received a letter signed by one Karl Brucker stating that if we covered a telephone booth in the Washington, D. C., suburbs at a specified time, we

SECRET

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SECRET

The Attorney General

would identify an individual who was selling FBI reports on foreign officials. That letter, we now believe, was written by a Soviet intelligence officer.

We covered the telephone booth in question and former SA William N. Spencer, now deceased, was observed in the telephone booth at the specified time. SA Spencer was given a polygraph examination and no attempt at deception was noted in his denial. In the absence of any evidence establishing he had committed espionage, the only course open was to reassign him in nonsensitive matters and this was done.

From a sensitive source, this Bureau subsequently learned that an FBI man had furnished two reports to the Soviets but when they did not pay the money he asked for, he had broken with them. Copies of the reports in question were missing from the files of our Washington Field Office.

After intensive investigation and analysis, it was concluded that SA Spencer was the individual referred to in the Erucker letter and was the individual about whom the source provided information. We did not have at the time, and we do not have today, however, admissible evidence to prove this.

This information is being furnished to you because I want you to be aware of all the facts and to know that there was no cover-up.

The "Time" magazine story, as it relates to the 1968 matter, is inaccurate in that it attributes the original information about FBI penetration to a CIA source which is not the case; in that it alleges that the waitress was a KGB agent, and there was no evidence to support that assertion; and in that it states we broke into her apartment and recovered documents and reports, whereas she consented to the interview and the items recovered were public source publications. There was no cover-up. The FBI took personnel action to resolve a personnel matter.

Enclosed for your information is a copy of the "Time" NOTE: article.

See memorandum W. A. Branigan to Mr. W. R. Wannall dated 8/5/75 captioned same, prepared by JEN:yi.

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SSC Request 1/8/76

Allegation Number 5

Questions Numbered 6 and 7

For Retention

UNITED STATES GOVERNMENT

Memorandum

TO: The Attorney General

DATE: December 24, 1975

TO: Director, FBI

CC: "OFFICIAL AND CONFIDENTIAL" FILES OF
J. EDGAR HOOVER

Reference is made to my memorandum captioned "United States Senate Select Committee on Intelligence Activities," dated July 16, 1975, with enclosures setting forth results of our inquiry into the disposition of files maintained in the office of former Director J. Edgar Hoover.

Time magazine dated December 15, 1975, on pages 10, 11, and 12, had an article captioned "Hoover's Political Spying for Presidents. Within this article, and specifically on page 11, column 3, paragraph 2, the article states:

"Before Secretary Gandy could look at them in Hoover's house, the most sensitive papers were carried off in an FBI truck to West Virginia's Blue Ridge Club, a Shenandoah Mountain hideaway used by innermost FBI officials for regular poker games with CIA and other cronies. There the papers were burned in the club's large fireplace. Precisely who ordered this destruction and carried it out has not been disclosed. The three-story club, valued at up to \$200,000, burned to the ground in a fire of undetermined cause on Nov. 23. No evidence of arson has been discovered."

Prior to the publication of this particular issue of Time magazine, Sandy Smith, a Time magazine reporter, advised this Bureau that he had corroborated the above-cited matter through three sources. Smith indicated that J. P. Mohr, former Assistant to the Director, within 48 hours of Mr. Hoover's death had ordered the destruction of these files and that an Agent had taken these files to the Blue Ridge Gun Club where they were burned.

1 - Messrs. Adams, Moore, Wannall (Cregar), Mintz (Sent Separately)

This document is prepared in response to your request and is not for dissemination outside your Committee. Its use is limited to official proceedings by your Committee and the content may not be disclosed to unauthorized persons without the express approval of the FBI.

JAC:blg (11)

NW 89804 DocId:32989576 Page 67

The Attorney General

Investigation was conducted by the FBI concerning this particular allegation appearing in Time magazine.

On December 16, 1975, Mrs. Hulda Weese, Route 9, Sweet Springs Community, Loudoun County, Virginia, was interviewed at her residence and advised she had been the caretaker and cook at the Blue Ridge Rod and Gun Club located in Loudoun County, Virginia, since April 8, 1971. She stated that on that date she and her family moved into the residence at the club and she resided continuously at that location until November 23, 1975, when the club was destroyed by fire.

Mrs. Weese was questioned concerning the allegation appearing in the above-cited Time magazine article to the effect that an FBI truck had delivered certain records to the club which were then destroyed in the club's fireplace. Mrs. Weese stated that it would have been virtually impossible for anyone to have destroyed records in any of the three fireplaces of the club without her knowledge because she and her family resided at the club on a continuous basis since April, 1971. She also advised she was the only one who had keys to the front and back doors of the clubhouse and pointed out that as caretaker one of her responsibilities was to insure that only members or guests accompanied by members were allowed admittance to the clubhouse. Mrs. Weese stated that there was an iron fence located across the driveway approximately 60 yards from the clubhouse which was kept locked at all times except when members were present at the club. Mrs. Weese also commented that she had four watchdogs at the club who were very alert for the presence of strangers or in fact anyone. She advised that one of her responsibilities was to keep the fireplaces clean at the clubhouse which she did and at no time did she observe anything in the fireplaces indicating that any records had been destroyed. Mrs. Weese stated emphatically that at no time did anyone come to the club and burn records in the fireplaces or anywhere else.

Concerning the fire at the club on November 23, 1975. Mrs. Weese stated she had left the club for a short period of time to perform an errand and left behind her son and some of her friends at the clubhouse. She related that at approximately 4:00 p.m. her son observed smoke coming from the attic of the club around the windows and chimney and her son alerted the other occupants of the clubhouse as well as the local fire department. She stated that a number of fire departments responded to the fire but were unable to extinguish the fire with any degree

The Attorney General

of success. She continued that a fire marshal, one Oliver Dube, was present on the scene and when she questioned him as to the cause of the fire he advised that it had apparently been an accident and was probably caused by defective electrical wiring in the building.

On December 16, 1975, Oliver R. Dube, Fire Marshal, Loudoun County Fire and Rescue Service, Leesburg, Virginia, was interviewed concerning this particular fire and stated he responded to the scene within one hour of its having started, had examined the ruins, and had come to the conclusion the fire was of "accidental origin." Mr. Dube advised that his investigation had not been concluded as yet but felt sure the fire started because of defective electrical wiring in an area near the ceiling level of the first floor. He volunteered he did not observe anything at the scene or find any evidence indicating the fire was caused by arson.

On December 17, 1975, Mr. John P. Mohr, former Assistant to the Director, FBI (now retired), advised in response to our request for an interview with him concerning the allegation in this matter that he had already testified with regard to the disposal of Mr. Hoover's papers before the Subcommittee, headed by Chairperson Bella Abzug, and thought that his testimony in this regard should suffice. Mr. Mohr further advised that he had contacted his attorney, Mr. Brian Gettings, who is representing him in connection with matters relating to the FBI involving U. S. Recording Company and Mr. Hoover's files, and his attorney had counseled him not to be interviewed in connection therewith. In proffering his declination to be interviewed in this regard, Mr. Mohr orally advised that he had nothing whatsoever to do with taking any files as alleged and was highly incensed that such an allegation should be made.

Concerning the above information, I wish to refer to my memorandum to you captioned "John P. Mohr, former Assistant to the Director," dated December 22, 1975, wherein I furnished you with results of a discussion I had with Sandy Smith of Time magazine on December 19, 1975. In my memorandum I pointed out under item 4 that Smith made reference to the "Blue Ridge Club" and Smith's feeling that this club was the place where Mr. Hoover's records were burned shortly after Mr. Hoover's death.

The Attorney General

The above information concerning our inquiry about this allegation is being furnished for your information and I will subsequently inform you as to the results of our ongoing inquiry concerning the U. S. Recording Company as well as other allegations raised by Smith in his conversation on December 19, 1975.

1 - The Deputy Attorney General

Attention: Mr. K. William O'Connor

SSC REQUEST 1/8/76

ALLEGATION NUMBER 4

QUESTION NUMBER 7

FOR RETENTION

The Attorney General

June 4, 1975

Director, FBI

JOHN CAPUTO, AND OTHERS
BRIBERY;
INFORMATION MEMORANDUM

Reference is made to my letter dated May 6, 1975, captioned as above.

Referenced letter advised you that the FBI was in receipt of hearsay information from one Guillermo Sowers alleging improper activity on the part of Joseph Stabile or Joseph Stabile and one "Steve Adams." "Steve Adams" was said to be employed by the "Treasury Department."

Investigation conducted by the FBI in an effort to develop evidence in support of the allegations has been completed and no evidence was uncovered to substantiate the allegations. Results of our investigation are contained in report of Inspector Clark F. Brown dated May 23, 1975, at New York, New York, captioned as above, a copy of which is attached.

On May 28 and 29, 1975, Special Agent Joseph Stabile was interviewed regarding these allegations. He categorically denies involvement in the alleged improper activities. A copy of an FD-302 setting out results of our interview with Special Agent Stabile is attached.

Unless advised to the contrary by you, no additional investigation will be conducted into the allegations of improper conduct on the part of Federal law enforcement employees made by Guillermo Sowers.

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*EXCISES MADE FOR REASONS
OF PRIVACY*

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

Copy to: 1-STRIKE FORCE, EDNY (ENCS.2)
1-STRIKE FORCE, SDNY (ENCS.2)

Report of: INSPECTOR CLARK F. BROWN/mgh
5/23/75

NEW YORK, NEW YORK
Office:

Field Office File #: NY 58-1854

Bureau File #: 58-8221

Title: JOHN CAPUTO; ETAL

**ALL EXCISES MADE FOR
PRIVACY CONSIDERATIONS
EXCEPT AS OTHERWISE NOTED**

Character: BRIBERY; PERJURY

This document is prepared in response to your request and is not for dissemination outside your Committee. Its use is limited to official proceeding by your Committee and the contractor may not be disclosed to unauthorized persons and without the express approval of the FBI.

Investigation conducted based on hearsay allegations suggesting possible corrupt activity in violation of the Bribery Statute on the part of (SA JOSEPH STABILE) or an unidentified Federal Law Enforcement Officer, referred to variously as "JOE STOPPS", "JOE STUBBS" or "THE FED" and a person referred to as "STEVE ADAMS". The hearsay allegations were made by GUILLEMMO SOWERS who is in protective custody of the Kings County Prosecutor's Office, Brooklyn, NY, as a material witness to the killing of JAMES NAGI 6/17/74. Background data relative to SOWERS, including results of polygraph examination given him by Kings County District Attorney's Office, set out. In part, SOWERS claimed JAMES NAGI had a corrupt relationship with one (JOSEPH STAMBILE) or (JOSEPH STABILE), commencing early Summer of 1972 and in May, 1974. Interviews with NAGI's wife, girlfriend, brother, sister, parole officer, criminal associates and law enforcement contacts, including FBI, NYCPD and NADJARI Commission, failed to corroborate SOWERS' hearsay allegations regarding (STABILE) or STEVE ADAMS; Interviews disclosed NAGI known as FBI, police and NADJARI Commission informant at various times in his criminal career. During 1970 and 1971, NAGI was productive FBI informant assigned to SA JOHN GOOD. SA GOOD has no reason to believe NAGI was ever in contact with (SA STABILE). Miscellaneous personal records of JAMES NAGI, including address books and notations of names and phone numbers were reviewed and nothing identifiable with (JOSEPH STABILE) by name, telephone number, residences and/or confidential FBI telephone numbers was found. Allegations regarding (SA STABILE's) corrupt association with COLOMBO La Cosa Nostra (LCN) family members JOSEPH GENTILE, ANTHONY TUZIO, GREGORY

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U. S. GOVERNMENT PRINTING OFFICE : 1970 O - 406-840

NY 58-1854

Synopsis (cont'd)

SCARPA, CHARLES PANARELLA, GEORGE and WHITEY TROPIANO and non-LCN member WILLIAM CUTOLO have not been corroborated in any manner. At time GENTILE was alleged to have a corrupt association with SA STABILE, FBI's New York Office, in 1972, had GENTILE extensively covered with Title III wiretap and microphone surveillances, which produced extensive evidentiary material against GENTILE and his associates. SA STABILE was privy to GENTILE investigation which included highly successful electronic surveillance coverage of GENTILE's residence from 9/19 to 10/19/72. Written record regarding fatal flaw which scuttled the GENTILE prosecutive case clearly does not attach culpability to SA STABILE in any manner. Reason why prosecution of US Secret Service case against PAUL DE PALO, CUTOLO's brother-in-law, has not moved forward is clearly out of scope of SA STABILE's sphere of influence. There is no employee named "ADAMS" currently working in NY FBI Office.

-P-

ENCLOSURES

TO: STRIKE FORCE, EASTERN DISTRICT OF NEW YORK (2)

TO: STRIKE FORCE, SOUTHERN DISTRICT OF NEW YORK (2)

Letterhead memoranda dated 5/22/75, and 5/19/75.

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INTERVIEWS OF GUILLERMO SOWERS
AND RELATED INTERVIEWS

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DETAILS

On April 15, 1975, GUILLERMO SOWERS, also known as PETE SOWERS, was interviewed by SA FORD W. COLE, at which time he furnished the following information in part:

SOWERS said that one of the reasons that JAMES NAGI was killed was due to the fact it was believed NAGI was talking to the police. SOWERS said that he heard from TROPIANO and CUTOLI that NAGI was aware of the existence of other "connections" the mob had within law enforcement.

One such individual was a JOE "STUBS" or "STOPS", an FBI agent in New York. JOE "STOPS" reportedly had provided information to organized crime people regarding impending gambling charges against JOE COLQMBO before any indictments came out. SOWERS learned of the existence of JOE "STOPS" sometime in 1972. Later, in 1973, when NAGI was still an accepted associate, he was having a problem in a Federal hijacking matter. CUTOLI and SOWERS were discussing this at a restaurant in Brooklyn. SOWERS stated, "Why don't you see what JOE 'STOPS' can do?" CUTOLI responded that JOE "STOPS" was not longer able to help, as he has been sent to Massachusetts.

JOE "STOPS", according to SOWERS, was not the type who was available to "nothing guys", but was contacted by the "big guys", like CHARLIE PANARELLA from Staten Island. Another individual, supposedly in the FBI, who SOWERS was told was proving information was someone named "ADAMS". He heard of this individual in February, 1974. One of the reasons SOWERS became an informant was that he feared performing a hit on NICKY "BOOTS" CAPUTO for TROPIANO and CUTOLI.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 5, 1975

Mr. Guillermo Sowers, also known as Pete and Bill, was interviewed on the premises of Borough Hall, Brooklyn, New York. Prior to the interview he was placed under oath and he furnished the following statement:

"April 30, 1975
Brooklyn, N.Y.

"I, Guillermo Sowers, being duly sworn, hereby make the following free and voluntary statement to Clark Brown and Edward D. Hegarty who have identified themselves to me as employees of the Federal Bureau of Investigation and have advised me the purpose of the interview is to obtain from me any information I may possess regarding improper activities of employees of the Federal Bureau of Investigation.

"I was born Jan. 20, 1943 at Havana, Cuba.

"I have never offered a bribe for any reason whatsoever to any employee of the F.B.I. I have never directly received any information of any type from an employee of the FBI. At no time did anyone ever tell me that they had offered a bribe to an employee of the FBI or had ever received confidential information from an employee of the FBI.

I recall having a conversation during the early summer of 1972 with George Tropiano, William Cutolo and James Nagi regarding a problem Nagi was having with law enforcement in New Jersey regarding a hijacking or a kidnapping or possession of a shotgun or some other crime. Cutolo asked Tropiano about 'Joe Staps or Stubbs' Tropiano left to make a telephone call. When Tropiano returned he told Nagi he would try to help him out. On the following day Cutolo, in my presence, gave Nagi a piece of paper which bore the name, as I now recall, 'Joseph Stambile' or 'Joseph Stabile' or something like that. The piece of paper also bore a telephone number. Cutolo told Nagi to call this person and make an appointment to discuss his, Nagi's problem. Cutolo told Nagi

Interviewed on April 30, 1975 at Brooklyn, New York File# _____
by Inspector Clark F. Brown and
Special Agent Edward D. Hegarty: bhg Date dictated May 5, 1975

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it would cost him, Nagi, a few dollars. I don't think Tropiano was present on this second occasion. I think both of these conversations took place at 'Burger Prince,' a restaurant at 65th and 8th Ave., Brooklyn, N.Y., during the early afternoon. Cutolo was anxious to help Nagi because Nagi had just completed a \$22,000.00 score for Cutolo and Tropiano. The score was an armed robbery of the Co-Op Supermarket, Bronx, N.Y., in May 1972. On the first occasion Cutolo described 'Joe Stubbs' as a Federal Agent.

"Subsequent to the above two occasions I was involved with Cutolo, Tropiano and six or seven other persons including Andy Carlisi, Anthony Villaroll and Greg who was a fence at 76th St and 13th Ave. in Brooklyn, a little discount store. Greg was a white male, about late 30's or 40's, 5'8"-10", Italian background. Mario Tropiano was also involved; 'The Greek' who was arrested for shooting someone at Tiffany's Diner about two or 3 years ago; 'The Greek's' brother who is a foreman at a downtown pier. This group was active in hijacking during the summer of 1972 in the area of 39th St. and 2nd Ave., Brooklyn, N.Y.; JFK Airport; and 'Greenpoint' a trucking terminal in Brooklyn, N.Y.; and at Cooper and Jarrett (phonetic) in New Jersey. Cutolo furnished me a handwritten list of New York State license tags, 4 cars and two trucks or 5 cars and two trucks, and told me to watch for them because they were being used by 'The Feds.' The list included the type of car, color and license tag number. The cars were Plymouth, Ford and Dodge. One of the trucks was a former telephone repair panel truck painted black. The second truck was a three-quarter panel truck which bore the name 'Emery Air Freight' and was painted white with blue lettering.

"On several occasions I spotted several of the cars at the piers, 39th St. and 2nd Avenue area when I was planning a hijacking. Villaroll, Nagi, Carlisi and some of the others also spotted some of these cars when they were with me. I never saw these cars at JFK Airport. I never saw the black panel truck. About 25 or 30 times during the summer of 1972 I saw the Emery Air Freight truck at JFK Airport, air freight section, the area of 39th and 2nd Avenue, Brooklyn and around the Burger Prince Restaurant. Every time I saw the truck there were 2 guys in it; always the same two. One of these two was about 5' 10", 200 pounds, late 30's or 40's, brown hair, Irish appearance, the second guy was white male also and he was in his mid-thirties, 5' 8", 160 pounds.

"When Cutolo gave me the list of vehicles he told me that he got it from 'his friend, the Fed.' I think Villaroll, Nagi, Carlisi and some of the others involved in the actual hijackings saw Cutolo give the list to me at the Burger Prince.

"Around April or May or sometime in the first half of 1974 I had a conversation with Cutolo and I think, but am uncertain, that George Tropiano was also present. On this occasion Cutolo said that his 'connection' and by 'connection' I believe he was referring to 'Joe Stubbs' was originally 'Joe Gentile's also known as 'Joe Lane's' connection. On other occasions during 1974 Cutolo told me that 'Colombo' had received information regarding an indictment of Colombo before the indictment was returned. Cutolo indicated that he, Cutolo, obtained this information from 'The Fed' and passed it on to Colombo.

"On Saturday June 15, 1974, George Tropiano, Cutolo and I had a conversation at Burger Prince. Tropiano said that he had received a telephone call that Nagi was either cooperating with or was going to cooperate with the Nadjari Commission and that we would have to kill Nagi within the next two days. On June 17, 1974 Nagi was murdered. About a month later Cutolo told me that he either called 'Joe' who was 'in Boston' or he was going to call 'Joe' and tell him that he, Cutolo, 'took care of the problem' and that he, Cutolo was going to see him. Cutolo also said that 'Joe' was no longer in town and was then in 'Massachusetts.'

"I recall that in about May of 1974 James Nagi and I had a conversation in a corridor of the Bronx Court House, 161st Street and Grand Concourse. Nagi was planning a shakedown of someone whom he did not name. Nagi wanted 'silencers' some 'badges' that I previously had in my possession. Two of these badges were FBI badges and two New York City Police Department Detective Shields. I had obtained these 4 badges from Cutolo who obtained them from George Tropiano, according to Cutolo. Linda Nagi, wife of James Nagi, was present and she might have overheard the conversation. James Nagi said when I told him I didn't have the badges any longer, that he would have to see 'Joe' and would have to 'go out of town.' Linda Nagi is a white female, mid 20's, 5' 8", wears glasses and operates a beauty salon around Lucas and Clifton Streets, Brooklyn, N.Y. Nagi and Nicky 'Boots' Caputo wanted the silencers for purpose of using them to kill George Tropiano.

"Other than Cutolo, George Tropiano and James Nagi no one else has discussed 'Joe Stapps' with me.

"I recall during a conversation I had with Cutolo during 1974 that he said Joe Stapps was receiving \$1000.00 a month for information he was providing to Cutolo and others. Cutolo also told me that 'Joe Stapps' was

either working for or was going to work for 'Whitey' Tropiano's men. Cutolo also told me that his brother-in-law Paul De Paola (phonetic) was having a problem with Denis Dillon, Federal Strike Force, and that his friend 'The Fed' was giving him information regarding this matter. I learned of the De Paola matter in 1974 but the actual interest of Dillon in De Paola was before 1974." Signed "Guillermo Sowers."

In addition to the above information Sowers said he was associated with George Tropiano and William Cutolo during the period of April, 1972, until September, 1972, and from January, 1974, to November, 1974.

A spread of eleven photographs including that of SA Joseph Stabile was shown to Mr. Sowers. He did not identify any of the photos.

A second spread of nine photographs was shown to Mr. Sowers. He identified photos of William Cutolo and George Tropiano.

Mr. Sowers advised that his correct date of birth is January 20, 1943, rather than 1942. He is married to Louise Scavone, 514 Ocean Parkway, Brooklyn, New York, and has one child. At present he is in protective custody as a material witness to the murder of James Nagi, June 17, 1974. Prior to custody he resided at 275 Webster Avenue, Brooklyn, New York.

The interview began at 10:39 a.m.; he was placed under oath at 10:44 a.m. He signed the statement at 3:43 p.m., and the interview was terminated.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription. May 5, 1975

1

Mr. Guillermo Sowers, born January 20, 1943, at Havana, Cuba, was interviewed at Borough Hall, Brooklyn, New York, by Edward D. Hegarty and Clark F. Brown. During the interview Mr. Sowers said that he was associated with George Tropiano and William Cutolo during the period April, 1972, until September, 1972, and the period from January, 1974, to November, 1974. During these periods William Cutolo said that he and George Tropiano had a connection with a person named "Adams" whose first name Sowers believed was "Steve" who was employed by the "Treasury Department." Cutolo claimed "Adams" was furnishing him and Tropiano with information and that often the information furnished by "Adams" cost as much as \$5,000.00.

Interviewed on April 30, 1975 at Brooklyn, New York File #

Inspector Clark F. Brown and Supervisor
by Edward D. Hegarty:wmj Date dictated May 5, 1975

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/16/75

Mr. GUILLERMO SOWERS was interviewed at the New York Office of the Federal Bureau of Investigation, 201 East 69th Street, New York, N. Y. 10021. At the outset of the interview, both Special Agent Pearce and Special Agent Rohr identified themselves as Special Agents of the FBI. Then Special Agent Pearce advised SOWERS that the purpose of the interview was to question him in detail about any knowledge that he may have regarding any member of the Federal law enforcement establishment being connected with any criminal group operating in the City of New York. Mr. SOWERS then furnished the information set out below:

SOWERS was born in Havana, Cuba, leaving there for the United States in 1959 in order to take up permanent residence in Miami, Florida. In 1961, he joined the U. S. Marine Corps and was discharged honorably on November 16, 1963. From his last duty station in Quantico, Va., he returned to Miami, where he remained for several years working in various supermarkets. In 1967, he left Miami and went to New York City. There he again began working at various jobs and different supermarkets. In 1971, while he was so employed he met an Associated Foods truck driver named ANDY CARLISI. CARLISI and SOWERS soon worked out a scheme whereby they would leave a certain number of cases containing groceries on CARLISI's truck at the time of delivery. CARLISI then sold these cases and divided the profit with SOWERS. In addition to this scheme, SOWERS and CARLISI had a method whereby they were able to defraud the off-track betting company for several thousand dollars every week.

At some point during their association, CARLISI told SOWERS about his friends BILLY CUTOLO and GEORGE TROPIANO, who CARLISI described as members of the COLOMBO "family" of La Cosa Nostra (LCN). In early April CARLISI arranged to introduce SOWERS to WILLIAM CUTOLO. The introduction was made at the cocktail lounge of the Leader Bowling Alley on Coney Island Avenue and 18th Street, Brooklyn, N.Y. Present at this meeting were WILLIAM CUTOLO, ANDY CARLISI and SOWERS. Also in the lounge, but not participating in the meeting, were three other people identified to SOWERS as JIM NAGI, ANTHONY VILLEROEL and NAGI's girlfriend. At this time, SOWERS was employed as the manager of a supermarket in Coop-City, Bronx, New York.

Interviewed on 5/14,15/75 at New York File # 58-1854
 by Supervisor J. ROBERT PEARCE ¹⁰ and Special Agent KLAUS C. ROHR ¹¹² Date dictated 5/16/75
 KCR:DJG

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CUTOLO proposed that SOWERS provide him with enough information of the operation at this store so one of CUTOLO's men could hold up the cashier when there was a large quantity of money in the cashier's office. SOWERS provided CUTOLO with the necessary information and then demanded to be given \$10,000.00 in advance for any cooperation in the planned holdup. At one or more meetings held after this one, SOWERS was introduced to CUTOLO's boss GEORGE TROPIANO. This meeting took place at the Burger Prince located on 65th and 8th Avenue, Brooklyn, New York. On none of these meetings was the holdup and SOWERS demand for \$10,000 discussed. On April 19, 1972, JIM NAGI and ANDY VILLEROEL held up the supermarket where SOWERS was working and escaped with over \$20,000.00.

Subsequent to this holdup SOWERS went to the Burger Prince at 65th and 8th Avenue, Brooklyn, N.Y., and demanded his share of the holdup from GEORGE TROPIANO. TROPIANO told him that the money had already been split and that there was nothing left for him. TROPIANO did extend an invitation to SOWERS that he join his group and participate in further jobs with them. Since SOWERS had been fired by the supermarket and was now unemployed he agreed to join TROPIANO's group.

Shortly after this meeting, SOWERS also learned that NAGI had only turned \$16,000.00 of the money robbed from the supermarket over to CUTOLO and TROPIANO. Out of this \$16,000.00, NAGI was given a cut of \$2,500.00. SOWERS did not know if either CUTOLO or TROPIANO were aware that NAGI and VILLEROEL had held out about \$5,000.00 on them.

At the time that SOWERS joined the TROPIANO group he impersonated PETE CATENA, nephew of GERRY CATENA, an LCN leader. CUTOLO and TROPIANO made inquiries about him and then accepted him in their group. This took place sometime in early June 1972. After SOWERS had been accepted in the group, NAGI, CUTOLO and TROPIANO and SOWERS were standing outside the Burger Prince, when NAGI began complaining about a problem he was having with the law in New Jersey. NAGI said that the problem arose out of an arrest some time ago for hijacking, robbery and possession of a weapon. NAGI asked CUTOLO and TROPIANO if they could do something for him in this matter. Specifically, NAGI wanted to know what was going on in the case. CUTOLO turned to TROPIANO and asked him, "What about our friend? You know Joe, the Fed. Maybe he can help". TROPIANO told CUTOLO that he would see what he could do and then went into the Burger Prince to use the public telephone located there. CUTOLO, NAGI and SOWERS also went into the Burger Prince. CUTOLO went behind the service counter while NAGI and SOWERS remained on the other side.

After TROPIANO finished his telephone call, he had a short private conversation with CUTOLO and then went outside. CUTOLO came back to where NAGI and SOWERS were standing and took out his wallet. From the wallet he removed a small card, about the size of a regular business card. Then he picked up a napkin and wrote the name JOSEPH STAMBILE or JOSEPH STABILE, as well as a telephone number on this napkin. CUTOLO used a black felt tipped pen to write down the name and numbers. Some of the letters in the last name ran together when they were written on the napkin. After CUTOLO had finished writing the name and the telephone number, he handed it to NAGI and told him to call this guy and arrange to meet him somewhere where they can't be observed. NAGI would then have to explain his problem to this person and perhaps this individual could help him. SOWERS in answer to specific questions stated that he did not know if a meeting between NAGI and the individual, whose name had been placed on the paper (STAMBILE or STABILE) ever took place. NAGI never told him that a meeting took place. The only reason he knew NAGI had a problem with a case in New Jersey was because NAGI said so. In answer to a specific question, SOWERS said that this was the only occasion that the complete name (JOSEPH STAMBILE or JOSEPH STABILE) ever was used. SOWERS said that thereafter, when talking about their alleged contact, CUTOLO or GEORGE TROPIANO would use the name JOE The Fed, JOE STUBS or similar name. They never used JOE singularly as there were a lot of JOES involved in the CUTOLO-GEORGE TROPIANO operation. SOWERS assumed that CUTOLO, TROPIANO or JIMMY NAGI, when referring to JOE The Fed or JOE STUBS meant (JOSEPH STAMBILE or JOSEPH STABILE), even though SOWERS was never told that these nicknames were in reference to the complete name (JOSEPH STAMBILE or JOSEPH STABILE).

After joining TROPIANO's group, SOWERS was put to work as the driver for a hijack group operating primarily in the Brooklyn area. Included in this group were NAGI, VILLEROEL and CARLISI. Prior to taking off on what was either the second or third job in which he participated, CUTOLO furnished SOWERS with a list of cars, trucks, and license numbers used by Federal law enforcement agents. When CUTOLO gave SOWERS this list, SOWERS and the others were in the Burger Prince. CUTOLO produced the list from his wallet and copied it on a napkin which he then gave to SOWERS. The list contained the descriptions of three cars and two trucks, as well as the license numbers. The cars were listed as a blue Ford, green or brown Plymouth and a blue Dodge, all with New York State license tags. One truck was described as an old telephone truck painted black, the other was a white truck with Emery Air Freight painted on the side. The trucks also had New York license plates. CUTOLO bragged that he had obtained this list from his friend JOE The Fed and then told SOWERS that he should be alert for these cars when going out on any hijack job. When he was in the car en route to the hijack job, SOWERS gave the identities of these cars and trucks to the other men in his group and asked them to be on the lookout for these particular vehicles.

CUTOLO and TROPIANO sold a lot of the hijack loads that they had to a fence named GREGG SCARPA. SCARPA operated a discount store on 76th and 13th Avenue, Brooklyn, N.Y. During 1972, SOWERS met SCARPA at his store on three different occasions. At each of these meetings SOWERS was in the company of GEORGE TROPIANO. At one such meeting, which concerned itself with a load of liquor from Montreal, a man dressed in a business suit came into the store in order to talk to SCARPA. The man, who came in to see SCARPA was a white male in his late 30s and gave the impression of being some type of law enforcement officer. On several other occasions when TROPIANO had to see SCARPA, SOWERS drove him to the store but was told to remain in the car while TROPIANO met with SCARPA.

SOWERS continued to work for CUTOLO and TROPIANO until the end of 1972, when he broke away from them. In January 1974, JAMES NAGI contacted SOWERS and told him that he had been given a contract by CUTOLO and TROPIANO to kill SOWERS. In order to avoid being killed by NAGI, SOWERS went to see CUTOLO and TROPIANO in order to ask for another chance and to find out why the order to execute him had been given. TROPIANO and CUTOLO did not explain why he was to be killed but did take him back into their group. SOWERS continued to work for CUTOLO and TROPIANO throughout 1974 and eventually became the leader of his own criminal group under the supervision of CUTOLO and TROPIANO.

As soon as he began working for CUTOLO and TROPIANO, CUTOLO began telling him about his connection JOE The Fed. In March or April 1974, TROPIANO, who had a problem relating to a current court case, wanted to find out what was going to happen in this case and told CUTOLO in front of SOWERS that he would have to go see JOE The Fed, in order to find out what's going on. As a rule when CUTOLO and TROPIANO talked about this connection they either called him JOE, JOE The Fed or JOE STUBS. It was SOWERS impression that in this conversation and in others relating to this individual, when TROPIANO and CUTOLO referred to JOE, JOE The Fed or JOE STUBS that they were talking about JOSEPH STAMBILE or JOSEPH STABILE, whose name he had seen on the piece of paper given to NAGI by CUTOLO in 1972.

In 1974, CUTOLO and TROPIANO were involved in a smuggling operation where they smuggled cigarettes and liquor into New York from North Carolina. Part of the liquor was sold in New York City, while another part was sent to a buyer in Bridgeport, Conn. This buyer cheated CUTOLO and TROPIANO out of \$45,000.00 in the sale of this liquor. SOWERS was sent to Bridgeport in order to speak with this individual and to recover CUTOLO's and TROPIANO's money. Prior to the time that he was going to Bridgeport, SOWERS was asked by CUTOLO to tell him when he was going to Bridgeport because he, CUTOLO, wanted to go with him because he could go to see JOE The Fed in Boston, Massachusetts.

Also about this time in early 1974, TROPIANO and CUTOLO came up with a scheme to shake down one of the men who was buying the liquor they were smuggling into New York City. In order to carry out

this shakedown scheme, SOWERS and several other men were to pose as police officers and demand that the men pay them for their silence in the smuggling case. CUTOLLO or TROPIANO furnished SOWERS with a small box containing a bag in which were five police shields, four police ID cards and two sets of FBI identification cards. The FBI identification cards consisted of two parts that folded, one over the other. One side of the cards had the blue letters FBI printed on it. The other side had U.S. Department of Justice printed on it in smaller blue letters. Neither CUTOLLO, nor TROPIANO ever told SOWERS where they had obtained the badges and identification cards.

After he had received these badges and identification cards, SOWERS began to carry a police badge and identification card on his person until he was stopped by the police. At this time, he had to throw the identification card and badge away in order to avoid an arrest for impersonating a police officer. Shortly after this, TROPIANO told SOWERS to return the badges and identification cards because the shakedown deal was off. JIM NAGI found out about these badges and identification cards because SOWERS showed him the badge and identification card that he was using. In May, 1974, NAGI approached SOWERS and asked him for the badges and identification cards, which he needed to pull a shakedown job of his own. SOWERS told him that he could not give him these badges and identification cards because GEORGE TROPIANO had already taken them back.

From NAGI, SOWERS also got the impression that he, NAGI, had been in touch with JOE The Fed, because NAGI told him that he would have to go see JOE The Fed in Boston, Massachusetts. SOWERS was not told why NAGI would have to contact JOE The Fed at Boston, Massachusetts.

From his conversations with TROPIANO and NAGI, SOWERS learned that beginning in 1973, NAGI had been designated to pay off law enforcement officials who were cooperating with and furnishing information to CUTOLLO and TROPIANO. NAGI told SOWERS that he tape recorded a number of these pay-offs and was using the recordings as a blackmail tool against the police official who was being paid off. SOWERS was also told by CUTOLLO that JOE The Fed or JOE STUBBS was being paid one to five thousand dollars per month depending upon the quality and amount of information he furnished.

On June 15, 1974, a short time after NAGI had been arrested by the Nadjari Commission, TROPIANO came into the Burger Prince and told CUTOLO and SOWERS that he had just received a telephone call from one of his connections. This individual told him that NAGI had made a deal with NADJARI and was going to reveal all of their law enforcement connections to NADJARI. TROPIANO also told them that they could not afford to let this happen and that he had received a green light to kill NAGI at once.

After NAGI had been killed, SOWERS asked TROPIANO why he had acted so hastily without ever giving NAGI a chance to square himself. TROPIANO told SOWERS that it just had to be done in this way. At this time TROPIANO also told SOWERS that he would have to call JOE in Boston and tell him that everything was alright.

After the NADJARI incident, CUTOLO and TROPIANO told SOWERS that they had been called on the carpet for allowing NAGI to meet and pay their law enforcement connections. Now all the law enforcement connections, as well as the blackmail efforts against them, was to be handled by an attorney ALBERT ARRONE.

During the year 1974, CUTOLO engaged in a number of conversations in which CUTOLO freely talked about his connection JOE The Fed. In one conversation, he said that JOE was taken out of town and couldn't be contacted here anymore. However, JOE would now be working with Whitey Tropiano's men in Bridgeport and New Haven. CUTOLO also told SOWERS that JOE STUBS or JOE The Fed was originally a connection for GREG SCARPA, JOE LANE and an individual known as DUTCHIE. In July 1974, SOWERS was present when TROPIANO held a meeting with CHARLIE "MOOSE" PANARELLA at the Sheepshead Bay Athletic Club. CHARLIE wanted to have some information about a bug that he suspected had been planted either at his house or some place that he frequented. TROPIANO told PANARELLA that he could check this out with his friend JOE.

On another occasion in 1974, CUTOLO and TROPIANO, as well as SOWERS were in the Red Manor at 60th and 11th Avenue, Brooklyn, New York. CUTOLO began talking about a JOE with TROPIANO, when TROPIANO asked him which JOE he was talking about. CUTOLO then told TROPIANO, "You know, our friend Joe The Fed, Joe Stubs".

SOWERS does not recall CUTOLO, TROPIANO or NAGI ever using the name JOSEPH STAMBILE or STABILE. The only name they used to describe their Federal law enforcement connection was JOE, JOE The Fed, or JOE STUBS. Other than the above 3 individuals, no one ever discussed JOE The Fed, or JOE STUBS with SOWERS.

SOWERS originally furnished the information regarding JOE The Fed to Detective NULTY of the New York City Police Department but he does not recall if NULTY made a record of having been furnished this information.

SOWERS was given a napkin and black felt tipped pen by Special Agent Rohr and asked to write the name that he had seen WILLIAM CUTOLO write on a napkin for JAMES NAGI in 1972. SOWERS then wrote the name JOSEPH STABILE, JOSEPH STAMBILE and JOSEPH STATILE on a paper napkin. To the best of his recollection, SOWERS stated that the name JOSEPH STAMBILE is what he actually saw CUTOLO write on the napkin.

FEDERAL BUREAU OF INVESTIGATION

5/16/75

Date of transcription

On May 14, 1975, GUILLERMO SOWERS was shown a spread of photographs from left to right in the following sequence by Supervisor J. Robert Pearce and Special Agent Klaus C. Rohr:

AUGUST J. MICEK
 JOHN J. AHERNE
 JACK H. LUPTON
 ROBERT J. LA VERE
 (ANTHONY R. VILLANO)
 (JOSEPH STABILE)
 NORTON A. LEE
 ERNEST A. HARIDOPOLOS
 LOUIS R. HAHN
 NORMAN A. MURRAY
 R. S. MC ALLISTER, JR.
 DENNIS LACINA

SOWERS, after careful study of these photographs, advised that he could not identify any of these people as persons known to him or persons he has seen previously. SOWERS said that he considered himself "good" in selecting photographs of people he has identified.

SOWERS was next shown photographs of eleven individuals identified as follows:

THOMAS DI BELLA
 CARMINE PERSICO, JR.
 GEORGE TROPIANO
 CHARLES PANARELLA
 VINCENT ALOI
 JOSEPH BRANCATO
 ANTHONY ABBATEMARCO
 JOSEPH YACOVELLI
 NICHOLAS J. FORLANO
 GREGORY SCARPA
 WILLIAM CUTOLO

Interviewed on 5/14/75 at New York File # 58-1854
 Supervisor J. Robert Pearce
 by and Special Agent Klaus C. Rohr KCR Date dictated 5/16/75

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Of these 11 photographs he selected the following individuals as persons that he knew:

VINCENT ALOI
THOMAS DI BELLA
CARMINE PERSICO, JR.
GEORGE TROPIANO
CHARLES PANARELLA
WILLIAM CUTOLO

He was asked if he knew an individual named GREGG or GREGORY and thereafter pointed to a photograph of GREGORY SCARPA and identified this photograph as GREGG SCARPA. He did not identify photographs of JOSEPH BRANCATO, ANTHONY ABBATEMARCO, JOSEPH YACOVELLI and NICHOLAS J. FORLANO.

FEDERAL BUREAU OF INVESTIGATION

May 15, 1975

Date of transcription

During the period of time GUILLEMO SOWERS was present on the premises of the New York Office of the FBI, 201 East 69th Street, New York, New York, he was requested to listen to a magnetic voice recording tape, bearing the label, "Nagra Tape Copy, Det. Nulty - Bartels, Sour Supermarket, 10/17-18/74, 2245-0100 hrs. #2". Specifically, he was requested to listen to a portion of the recorded conversation between Detective JOHN NULTY and himself, SOWERS, which specific portion of the conversation is set forth on page three of the conversation transcript, bearing the caption "Nagra #2, 10/17/74 - 2,245 hrs., 10/18/74 - 0100 hrs.", commencing with statement, "No, I supposed to be with these people over here, if I go along", through "who do they know in these precincts that you just mentioned, the 61 and 70".

Mr. SOWERS was asked if the transcript portion, which states "uh, organized crime -- indirectly, directly it will be Joseph (inaud.) friends" was correct, and he said that it was not, that this portion of the conversation spoken by him, SOWERS, should read in the transcript, "uh, organized crime -- indirectly, directly it will be George Tropiano's friends".

Interviewed on 5/14/75 at New York, New York File # NY 58-1854
 by INSPECTOR CLARK F. BROWN and
SUPERVISOR EDWARD D. HEGARTY - EDH/migh Date dictated 5/15/75

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/16/75

Mr. GUILLERMO SOWERS was interviewed at the New York Office of the Federal Bureau of Investigation, 201 East 69th Street, New York, N. Y. 10021. At the time of his interview he furnished the following information.

In 1974, SOWERS was associated with two individuals known as WILLIAM CUTOLO and GEORGE TROPIANO. In conjunction with these two men, SOWERS engaged in a cigarette and liquor smuggling operation in which they smuggled cigarettes, as well as liquor, from North Carolina to New York and Bridgeport, Connecticut. SOWERS often acted as the driver of the panel truck used to bring the cigarettes from either Raleigh or Durham, N.C. to New York. Upon arriving in New York, the truck was parked in a parking lot at Pennsylvania and Flatland Avenue, where it was then picked up and brought to another location by other individuals, not known to SOWERS.

From CUTOLO and TROPIANO, SOWERS learned that the cigarettes were then stamped with the New York Tax Stamp and sold through a vending machine company in New York.

CUTOLO also told SOWERS that they had a law enforcement connection in the Treasury and Tax Department named STEVE ADAMS, who told them what route they should use when returning with the cigarettes in order to avoid New York State Tax Agents. CUTOLO also told SOWERS that ADAMS was paid regularly for this information, which was a great help to them in their secret smuggling operation.

Interviewed on 5/15/75 at New York File # 58-1854
 by Supervisor J. Robert Pearce *RP* and Special Agent Klaus C. Rohr *KCR* Date dictated 5/16/75

KCR:DJG

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FEDERAL BUREAU OF INVESTIGATION

May 5, 1975
Date of transcription1

Deputy Inspector John Nevins, Brooklyn District Attorney's Squad, was contacted at Borough Hall, Brooklyn, New York, by Edward D. Hegarty and Clark F. Brown who identified themselves as representatives of the FBI Inspection Division, Washington, D. C.

Inspector Nevins was asked if he, as a result of his contacts with Guillermo Sowers or with officers in his command familiar with Sowers had obtained any information indicating corruption on the part of any employee of the FBI and he said he has not. He was asked if he knows if there are any indications of Federal law enforcement corruption on the tape recordings made by Sowers and he said that he has not received any indication of this from his men.

On May 2, 1975, Inspector Nevins made available for review miscellaneous papers and address books given to the District Attorney's Office by Mrs. Linda Nagi. These documents were reviewed and Xerox copies were made of most of the material. A photocopy of a white, lined piece of paper 8" x 10 1/2" bearing, in part, written inscription "535-7700," was made.

Interviewed on May 1, 2, 1975 at Brooklyn, New York File # _____

Inspector Clark F. Brown and
by Supervisor Edward D. Hegarty:wmj Date dictated May 5, 1975

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FEDERAL BUREAU OF INVESTIGATION

May 12, 1975

Date of transcription

Detective JOHN W. NULTY, Senior Special Investigator, State of New York, Department of Law, Special Prosecutor for Health and Social Service, was interviewed on the 5th Floor of Borough Hall, Brooklyn, New York. Prior to the interview EDWARD D. HEGARTY and CLARK F. BROWN identified themselves as representatives of the FBI Inspection Division, Washington, D. C.

Detective NULTY advised, in response to a direct question, that at no time while he was working as a New York City Police Department detective, assigned to the Brooklyn District Attorney's Office, did he ever receive any indication whatsoever from GUILLERMO SOWERS that SOWERS had in his possession information alleging improper conduct or unlawful activity on the part of any member of any Federal Law Enforcement Agency, including the FBI.

Detective NULTY was referred to a transcript prepared by the Brooklyn District Attorney's office setting out in verbatim a dialogue which, in part, is between GUILLERMO SOWERS and Detective NULTY and is based upon conversations recorded by magnetic voice recording tape on October 17, 1974. The pertinent portions of the transcript read (contents of conversation relate to proposed robbery of a Shop-Rite Store):

"NUETY O.K., is there anybody else involved in this.

SOWERS Far as my knowledge, he will be a couple of detectives from Robbery Squad, Brooklyn South, Robbery Squad will handle it, how its gonna be handled it was then, its gonna be actually through the top.

NULTY Who will make the arrangements on this?

SOWERS I assume this arrangement are gonna be by uh, made by George Tropiano.

NULTY But you really don't know?

SOWERS Uh, I have my word they will be rearranged Saturday.

Interviewed on 5/12/75 at Brooklyn, New York File # NY 58-1854

by INSPECTOR CLARK F. BROWN and
SUPERVISOR EDWARD D. HEGARTY - EDH/mgh Date dictated 5/12/75

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NY 58-1854

"NULTY All right.

SOWERS And uh

NULTY Is there anything else you want to say about that.

SOWERS Yeah uh, I assume the uh part of a conversation as its transcribed today, this afternoon, previous conversation that I was in (inaud.) and have control of Precinct 61, Precinct 70.

NULTY Who has control of the 61 and 70.

SOWERS Uh, organized crime -- indirectly, directly it will be Joseph (inaud.) friends.

NULTY Who do they know in these precincts that you just mentioned, the 61 and the 70.

SOWERS Captains 61 and Captain 70, (inaud.) 70 and 61 (inaud.) Captain. Sergeants of a Precinct 61. How deeply involved they will get they will get I don't know, but maybe as a special favor they will ask em to send patrols to different directions (inaud.) patrol at the time of the robbery to certain other directions, also a party -

NULTY Who told you this.

SOWERS Uh, I was told by uh, by the higher echelon of my --

NULTY Who's the higher echelon

SOWERS The higher echelon in this particular case is Tropiano (inaud.) and Cutola.

NULTY O.K.

NULTY advised that during the morning of May 12, 1975, he saw SOWERS and SOWERS said with respect to the transcript that the above "JOSEPH (inaud.) friends" is a reference to "the Fed" who

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was working with BILLY CUTOLO. NULTY then played back the pertinent portion of the magnetic voice recording tape containing the above conversation and after listening carefully he concluded that the portion "JOSEPH (inaud.) friends" should correctly have been transcribed as "GEORGE TROPIANO's friends". Detective NULTY said that subsequent to the discovery of the remains of JAMES NAGI on June 25, 1974, he became involved in the investigation into NAGI's death. He, NULTY, worked with Detective GEORGE COUSTAKIS, First Homicide Zone, Manhattan South, telephone 741-5877. The homicide investigation was originally assigned to Detective COUSTAKIS. On September 17, 1974, which date Detective NULTY recalled by referring to a diary maintained on his person, COUSTAKIS and NULTY picked up GUILLERMO SOWERS for questioning regarding the NAGI murder. Subsequently, on September 18, 1974, SOWERS initiated contact with the New York City Police Department and agreed to cooperate. During the ensuing months, NULTY worked closely with GUILLERMO SOWERS in their investigation of the NAGI murder and other criminal activity.

Detective NULTY was asked if he was personally acquainted or had ever heard of the former New York City Police Department Officers, JOSEPH SCHIFFINO or EUGENE STATILE, and he replied no.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 20, 1975

Mrs. GUILLERMO SOWERS was interviewed in her apartment, Apartment 5A, 514 Ocean Parkway, Brooklyn, New York, telephone number 436-7925. Prior to the interview, EDWARD D. HEGARTY and CLARK F. BROWN identified themselves as representatives of the FBI Inspection Division, Washington, D. C. SA FORD W. COLE was known to Mrs. SOWERS as a Special Agent of the FBI as a result of a prior interview.

Mrs. SOWERS was told the purpose of the interview was to determine if she was ever told or received any indication from her husband that he had knowledge indicating that a member of a Federal Law Enforcement Agency, including the FBI, was conducting himself in an improper or in an unlawful manner. She said that her husband rarely ever discussed his activities or his associates with her, and that he definitely never did indicate to her or tell her that he had in his possession any information indicating improper or unlawful conduct on the part of any Federal Law Enforcement Officer.

Mrs. SOWERS spontaneously injected that she met her husband in 1971 while he was working at a supermarket. She, at that time, was a divorcee and began dating GUILLERMO SOWERS. He told her that he was Italian, having been born at Milan, Italy. Subsequently, she entertained GUILLERMO SOWERS at her home and introduced SOWERS to various members of her family. In conversing with her family members, he told each of them that he was Italian and was born in Milan, Italy. When they applied for a marriage license, he stated on the application that he was born in Milan, Italy.

Subsequent to her marriage, she learned that he was not Italian and was not born in Milan, Italy, but is a Cuban, having been born in Havana, Cuba. She stated that she told this to her mother, who is very dissatisfied with her husband GUILLERMO, because he lied to her, Mrs. SOWERS and to members of Mrs. SOWERS' immediate family. She was asked if her husband gave her any other indications of deceitfulness and she said that occasionally she has suspected that he was withholding money from her and on some occasions she was of the belief that he was somewhat "sneaky." She said that her husband had no close associates, although he was frequently contacted by BILLY CUTOLO telephonically.

Interviewed on 5/16/75 at Brooklyn, New York File # NY 58-1854
 by EDH/mgh Date dictated 5/19/75
 INSPECTOR CLARK F. BROWN, SUPERVISOR
 EDWARD D. HEGARTY & SA FORD W. COLE

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FEDERAL BUREAU OF INVESTIGATION

May 20, 1975

Date of transcription

Transcripts of conversations recorded on magnetic voice recording tape by members of the Brooklyn Prosecutor's Office, on occasions when GUILLERMO SOWERS was wearing a concealed recorder were reviewed. There are no statements or indications in these transcripts to the effect that SA JOSEPH STABILE or any other employee of the FBI has comported himself in either an improper or unlawful manner.

5/19/75 New York, New York NY 58-1854

Interviewed on 5/19/75 at NYC File # NY 58-1854
by INSPECTOR CLARK F. BROWN and
SUPERVISOR EDWARD D. HEGARTY - EDH/mgh Date dictated 5/19/75

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 13, 1975

WILLIAM I. ARONWALD, Strike Force, Southern District of New York, was contacted at his office, Manhattan, New York. Prior to the interview, EDWARD D. HEGARTY and CLARK F. BROWN identified themselves as representatives of the FBI Inspection Division, Washington, D.C. Present at the time of contact were Strike Force Attorney MICHAEL EBERHARDT, Special Agent in Charge THOMAS J. EMERY, New York Office and Special Agent FORD W. COLE.

Mr. ARONWALD was furnished for his review a copy of a statement reported on an FD 302 reflecting interview of GUILLERMO SOWERS on April 30, 1975.

It was explained to Mr. ARONWALD that the FBI was considering affording a polygraph examination to GUILLERMO SOWERS and he interposed no objection.

Interviewed on 5/9/75 at New York, New York File # NY 58-1854
 by INSPECTOR CLARK F. BROWN and
SUPERVISOR EDWARD D. HEGARTY -EDH/mgh Date dictated 5/13/75

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FEDERAL BUREAU OF INVESTIGATION

May 13, 1975

Date of transcription _____

Mr. BARRY FRIEDMAN, Chief of Rackets Bureau, Kings County District Attorney's Office, Brooklyn, New York, was contacted in his office, Borough Hall, Brooklyn, New York. Prior to the interview EDWARD D. HEGARTY and CLARK F. BROWN identified themselves as representatives of the FBI Inspection Division, Washington, D. C.

Mr. FRIEDMAN was advised that the FBI was considering conducting a polygraph examination of GUILLERMO SOWERS. Mr. FRIEDMAN said that he had no objection to the FBI furnishing such an examination to Mr. SOWERS.

Mr. FRIEDMAN was asked if he had any objection to the FBI reviewing the polygraph tracings obtained during a previous polygraph examination afforded to SOWERS by DICK ARTHUR, New York, New York, on behalf of the Kings County Prosecutor's Office and he said he had no objection to such a review by the FBI.

Interviewed on 5/9/75 at Brooklyn, New York File # NY 58-1854
by INSPECTOR CLARK F. BROWN and
SUPERVISOR EDWARD D. HEGARTY - EDH/mgh Date dictated 5/13/75

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FEDERAL BUREAU OF INVESTIGATION

5/12/75

Date of transcription

On 5/12/75, I telephonically contacted RICHARD ARTHUR, Director, National Training Center for Polygraph Sciences, 1109 Medical Arts Building, 57 West 57th Street, New York, N. Y. 10019, PL 5-5241, to arrange for a review of polygraph charts of GUILLERMO SOWERS.

I informed Mr. ARTHUR, who is acquainted with Special Agent Pearce, that the New York Office of the FBI had obtained the approval of BARRY FRIEDMAN, Chief, Rackets Division, Brooklyn, N. Y., District Attorney's Office, for the FBI to review these charts. Mr. ARTHUR was also advised that the FBI was not investigating the murder case involving SOWERS.

ARTHUR volunteered that he was furnishing information "from memory", and believed that the polygraph examination of SOWERS that he conducted was about 4 months ago. He said that he had run SOWERS a second time because the Brooklyn District Attorney's Office was so convinced that SOWERS was "telling the truth". ARTHUR was informed that information received by the FBI was to the effect that SOWERS was telling the truth when he placed himself in a confession at the scene of a murder. ARTHUR indicated that his recollection was that the polygraph examination indicated that SOWERS did more than place himself at the scene. He said he never "liked the story" that SOWERS confessed to. SOWERS, according to ARTHUR, claimed that he came through a doorway, heard a shot, saw the victim fall, but would not say that he saw the guy fire the gun.

ARTHUR, early in the conversation, volunteered that it was his opinion that SOWERS attempted to beat the polygraph. His recollection was that SOWERS attempted to do this by altering his normal breathing pattern, to show a breathing pattern of approximately ten breaths a minute. Arrangements were made for a physical review of these charts in question on 5/13/75 through contact of ARTHUR's associate, GENE SAUDAZZ, as ARTHUR will be absent from his office.

Interviewed on 5/12/75 at New York File # 58-1854

by Supervisor J. Robert Pearce Date dictated 5/12/75
JRP:DJG

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/13/75

On May 13, 1975, through arrangements made with RICHARD ARTHUR, Director, National Training Center for Polygraph Sciences, 1109 Medical Arts Building, 57 West 57th Street, New York, New York 10019, I was given the file for review involving polygraph examinations of GUILLERMO SOWERS.

There were two reports in letter form of approximately one and one-half page indicating that SOWERS had been afforded an original polygraph examination on December 31, 1974 and had been re-examined on January 9, 1975.

Both reports indicated that the main issue under consideration in the polygraph examination was the truth telling involving SOWERS when he made certain claims regarding the murder of JAMES NAGI.

The December 31, 1974 report indicated that facts of the murder and SOWERS participation had been provided to the polygraph examiners by ANGELO TONA and WILLIAM WAJESKI of the Kings County District Attorney's Office. Further, that these individuals were present during the interview. The polygraph examiners were RICHARD O. ARTHUR and DORI J. PEARL.

On December 31, 1974 reports indicated that SOWERS had lied to the following questions:

1. "Did you shoot JIM NAGI?"

Answer: "No."

2. "Did you see GEORGE TROPIANO shoot JIM NAGI?"

Answer: "Yes."

The exact phrasing of the polygraph examination opinion read, "It is the opinion of the polygraphist based upon the examination of Mr. SOWERS that he has not probably told the entire truth of the above listed questions."

Interviewed on 5/13/75 at New York, New York File # NY 58-1854

Supervisor J. ROBERT PEARCE/rm
by _____

5/13/75

Date dictated _____

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NY 58-1854

Additionally, the report indicated "slight" indications of truth telling to the following questions:

1. "Did you see JIMMY NAGI get shot?"

Answer: "Yes."

2. "Did you see BILLY CUTOLO shoot JIMMY NAGI?"

Answer: "Yes."

The report advised that it was the opinion of the polygraphist, based upon the polygraph charts, that Mr. SOWERS, in regards to the above questions, was telling the truth. It went on and stated that this opinion must be "restricted (limited) in that Mr. SOWERS was trying to distort the polygraph readings." It was also indicated that this distortion greatly interferes with the correct diagnosis and chart analysis of the polygraph records.

The report of the "re-examination" of GUILLERMO SOWERS in 1975 indicates again that ANGELO TONA and WILLIAM WAJESKI, Kings County District Attorney's Office, Brooklyn, New York, were the examiners. The same questions were used in this re-examination and the report reads, "There were indications of lying when SOWERS was asked the following pertinent questions:

1. "Did you shoot JIM NAGI?"

Answer: "No."

2. "Did you see GEORGE TROPIANO shoot JIM NAGI?"

Answer: "Yes."

It was the polygraphist's opinion that SOWERS has probably not told the entire truth to the above questions.

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Again it was reported there were "slight indications of truthfulness when SOWERS was asked the following questions":

1. "Did you see JIM NAGI get shot?"

Answer: "Yes."

2. "Did you see BILL CUTOLO shoot JIM NAGI?"

Answer: "Yes."

Thereafter follows a paragraph indicating that the polygraphist's opinion, based on a re-examination, was that SOWERS was telling the truth to the above questions.

Again it was indicated that both polygraph examinations were conducted by RICHARD O. ARTHUR and DORI J. PEARL.

It was also indicated that SOWERS had voluntarily signed a waiver to take both the original and re-examination.

A review of the charts in question showed that in the fourth series, December, 1974, of questions SOWERS deliberately attempted to alter his normal breathing pattern by deliberately breathing at a reduced rate. The efforts to alter the polygraph charts are readily recognized. This slowed rate of breathing was not present in any of the other polygraph charts, and particularly it was noted it was not present during the period when the polygraph examination was being initiated. Subject at the time of instrument adjustment remains still and no questions are being asked.

FEDERAL BUREAU OF INVESTIGATION

5/21/75

Date of transcription

ANGELO TONA, Special Prosecutor, New York State Nursing and Social Services, Investigations Unit, Room 973, Ellicott Square Building, Buffalo, New York, advised that while serving as an Assistant District Attorney for Kings County, Brooklyn, N. Y., he had handled the homicide investigation of JAMES NAGI. He stated in connection with this investigation, PETE SOWERS had been developed as a possible suspect due to his close relationship with NAGI but that initial interviews with SOWERS had been completely negative. He said, however, that one Saturday morning SOWERS came to him saying he wanted to cooperate since he felt he was going to be arrested for NAGI's murder and also that he thought there was a contract out for him.

He said over a period of time from that day, SOWERS furnished voluminous information concerning various planned crimes and cooperated by meeting with various individuals connected with these crimes while wearing a body recorder. He said it was some time before SOWERS discussed the NAGI homicide but eventually did furnish them with sufficient information to place charges against GEORGE TROPIANO and BILLY CUTOLO. He described SOWERS as being the type of individual who had a great wealth of information concerning criminal activities of all sorts and that this information would be furnished by him piecemeal over an extended period of time. He said that during the entire relationship with SOWERS he had no reason to question his credibility, stating in many instances they had been able to completely verify information furnished by SOWERS concerning criminal activities of various individuals.

He said one problem, however, he did encounter in dealing with SOWERS was the fact that he tended to arrive at conclusions from certain information in his possession, which conclusions were not based on fact. He also stated that in evaluating SOWERS information one had to always assess the source of the information SOWERS was privy to and that a lot of such information was "street talk" which always wasn't factual. He did verify that SOWERS was recently arrested by the Rockville Centre, L.I., Police Department, on a gun charge, which was subsequently dismissed.

Interviewed on 5/19/75 at Buffalo, N. Y. File # 58-1854
by Supervisor Donald E. Hartnett Date dictated, 5/21/75
DEH:DJG

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He said a great deal of information furnished by SOWERS had in fact been verified in situations where SOWERS wearing a body recorder had engaged individuals in conversation and the information he had previously furnished had been verified in these taped conversations. He advised that at no time had SOWERS ever mentioned to him having any contacts within the FBI and that if he had he, TONA, would have felt obligated to immediately bring this to the attention of the Nadjari Commission. He did recall that SOWERS had mentioned at one time that one of the individuals engaged in the planning of a crime was a person named NORDOFF (phonetic), whom SOWERS believed had a son in the FBI but that SOWERS was not personally acquainted with the son. He said on one occasion SOWERS had told him about a corrupt policeman in the New York City Police Department and that this information had immediately been furnished to the New York City Police Department.

TONA said one of the reasons NAGI had been murdered supposedly was that it became known on the street that he was cooperating with the Nadjari Commission. He also described BILLY CUTOLO as being a braggart, who fancied himself as a big-time hoodlum. He said an example of this was the fact that they had been able to establish that anytime CUTOLO was going out on a score, he would dress completely in black with a white tie, trying to give the "Godfather" type image.

He described GEORGE TROPIANO as an individual, who supposedly had a reputation of being "well connected" in organized crime but that he personally doubted this since during the course of their investigation they learned of an incident whereby TROPIANO went to an illegal gambling game to collect a shylock loan and had been thrown out of the place by the manager of the game. He said that if in fact TROPIANO had been well connected this never would have happened. He stated he had no knowledge of any information, which reflected possible connections between CUTOLO or TROPIANO with any Federal agency. He doubted that they would have any such connections.

He stated that the names STABILE MORESCO or STATILE were unknown to him.

FEDERAL BUREAU OF INVESTIGATION

May 21, 1975

Date of transcription _____

SA ARTHUR H. RUFFELS, JR. was interviewed on the premises of the New York FBI Office, 201 East 69th Street, New York City, New York. Prior to the interview EDWARD D. HEGARTY identified himself as a representative of the FBI Inspection Division at Washington, D. C.

SA RUFFELS was asked how many times he had occasion to personally converse with GUILLERMO SOWERS. RUFFELS replied that from six to eight occasions he observed SOWERS on the premises of Kings County Prosecutor's Office, Borough Hall, Brooklyn, New York, and that on two of these occasions he spoke with SOWERS; once he was in the company of SA FORD W. COLE and on the second occasion Deputy Inspector JAMES NEVINS, Brooklyn Prosecutor's Office was present. On neither of these two occasions, when he spoke with SOWERS, was there any discussion indicating SOWERS was in possession of information or direct knowledge indicating corruption on the part of any employee of the Federal Bureau of Investigation. At no time during either of these two conversations was there any mention of SA JOSEPH STABILE.

Interviewed on 5/21/75 at New York, New York File # NY 58-1854

by SUPERVISOR EDWARD D. HEGARTY/mgh 5/22/75
104 Date dictated _____

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BACKGROUND MATERIAL REGARDING GUILLERMO SOWERS

EDH:mgh

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NY 58-1854

By communication dated April 25, 1975, the St. Louis Division of the FBI, advised as follows:

A review on April 25, 1975, of the Military Records on file at the National Personnel Records Center - Military, St. Louis, Missouri, indicated the following information concerning GUILLERMO SOWERS, USMC Service Number 500-02-06:

Name	GUILLERMO SOWERS
Also Known As	Willy
Date of Birth	January 20, 1942
Place of Birth	Havana, Cuba
SSAN	264-70-5837
Mother	AIDA R. JACIENTO, date of birth unknown
Father	GUILLERMO SOWERS, date of birth, January 19, 1909 Both residing at 411 N.E. 29th Street Miami, Florida, as of March, 1963
Other Relatives	JORGE SOWERS, date of birth, relationship August 27, 1945 not known 411 N.E. 29th Street, Miami, Florida, as of September, 1961 MARTA SOWERS, date of birth 1945, residing Havana, Cuba, as of September 1961.
Alien Registration Number	12193169
Education	Nov. 1960 to June 1961 - Gilford College, location not shown, and Richard J. Reynold High School, location not shown
Character References	BERNARDO CANTORNA, residing 142 N.D. Street, Dalton, Illinois BERTA FERNANDEZ, 715 Watson Avenue, Winston-Salem, North Carolina CUCA GATO, New York, New York All references noted as of September, 1961

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Former addresses	January 1943 - January 1958 Havana, Cuba January 1958 - November 1960 23rd & Biscayne, Miami, Florida Nov. 1960 - August 1961 715 Watson Avenue Winston-Salem, North Carolina June 1961 - Sept. 1961, 1421 Collins Ave., Miami, Florida Overlap in former addresses is noted. September 1961, 411 N.E. 29th Street, Miami, Florida, address at time of release from active duty in 1963, 411 N.E. 29th Street, Miami, Florida
Military Service	Service Number 500 02 06 Entered active duty 11/16/61, at Miami, Florida, honorably released from active duty Nov. 15, 1963, at Quantico, Virginia. Inactive duty Nov. 16, 1963 to Nov. 15, 1967, when honorably discharged
Disciplinary action	Non-judicial punishment May 13, 1963, for disobedience of order. Received 20 days restriction. Non-judicial punishment Sept. 16, 1963, for failure to obey lawful order (to remove privately owned vehicle). Received 14 days extra duty.
Languages	Speaks, reads and writes Spanish, French, Italian and Portuguese
Character and efficiency ratings	Passing to very good
Psychiatric	No record of emotional instability or psychiatric evaluation
Race	White
Height	6'1"
Weight	175
Hair	Brown
Eyes	Brown
Scars	5" scar forearm
Photograph	Available

EDH:mgh

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NY 58-1854

By communication dated April 25, 1975, the Miami Office of the FBI advised that the records of Immigration and Naturalization Service, Miami, Florida, were caused to be checked on April 24, 1975, and contained no information identifiable with GUILLERMO SOWERS JACINTO, INS #A12-193-169.

The records of the Dade County Public Safety Department were caused to be checked on April 24, 1975, regarding GUILLERMO SOWERS JACINTO, their number 107195, FBI #945 238 D. These records reflect that GUILLERMO SOWERS is a white male, born January 20, 1942, in Cuba, a naturalized American, 6'2", 175 pounds, brown hair, brown eyes, 3-inch scar left forearm, residence 100 N.E. 193rd Street, occupation driver. He was arrested on July 31, 1967, based on a complaint sworn out by JOAN SOWERS. He was arrested for non-support. This charge was dismissed on October 2, 1967. On October 3, 1967, he was again arrested and charged with assault to commit murder. The charge was dismissed because of lack of prosecutive merit. The details of the arrest were that subject was involved in a domestic fight with his wife at residence and shot her with a .38 caliber revolver. His father is GUILLERMO SOWERS and mother AIDA JACINTO.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 6, 1975

Miss VALERIE GREASON, Special Clerk, Federal Bureau of Investigation, New York Office, checked the records of the Immigration and Naturalization Service, 20 West Broadway, New York City, and obtained the following information:

GUILLERMO SOWERS, INS File A12-193-169

Name	GUILLERMO SOWERS
Born	JACINTO GUILLERMO SOWERS
Race	White
Sex	Male
Date of Birth	January 1, 1942
Place of Birth	Havana, Cuba
Height	6'2"
Weight	165 lbs.
Hair	Brown
Eyes	Brown
Social Security	264-70-5837

Received Information Unit: September 13, 1972
 Received Citizenship Bureau: November 24, 1972
 Address at time of Application: 1283 Newkirk Avenue
 Brooklyn, New York

Stated that he could read, write and speak English.

EmploymentMay 1972 - November 1972

Operations Manager, Pergaments Stores,
 2169 Ralph Avenue, Brooklyn, New York

March 1972 - May 1972

Assistant Manager, Riverway Coop Corporation
 Bartow Avenue, Bronx, New York

Interviewed on 5/6/75 at New York, New York File # NY 58-1854
 SPECIAL CLERK VALERIE GREASON/mgh 5/6/75
 by 11 Date dictated

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July 1971 - March 1972

Manager, Associated Supermarkets
1226 Liberty Avenue, Brooklyn, New York

November 1968 - July 1971

Manager, Bohack Corporation
Metropolitan Avenue, New York City

January 1967 - November 1968

Front End Manager, Great Eastern Mills
Elmont, Long Island, New York

Criminal Record

FBI Number 9450238D

6/7/61 Arrested by Winston-Salem, North Carolina,
Police, one WILLIAM SOWERS, JR. #40010,
for auto theft. 6/23/61, SOWERS bound over
to Superior Court

8/24/61 INS, Miami, arrested GUILLERMO SOWERS for
violation of the Immigration Laws. No
disposition

2/31/67: Miami Public Safety Department arrested
GUILLERMO SOWERS for assault with intent to
commit first degree murder. Also charged
with failure to support a minor child. Both
counts dismissed for lack of prosecution.

10/18/68 WILLIAM SILBESTER SOWERS applied for a permit
from the Miami State Beverage Department.

LULA MOTLEY, Correspondence Clerk, Immigration and Naturaliza-
tion Service, 20 West Broadway, New York, New York, advised that
letters had been mailed to SOWERS, calling him in for citizenship
processing. On December 1, 1972, a letter was sent to 1283 New York
Avenue, Brooklyn, New York, calling him to appear on December 29, 1972.
Another letter was sent on January 17, 1973, to 1287 New York Avenue
requiring him to appear on January 31, 1973. Since these letters
were never delivered to SOWERS, they were returned and are in the
files. SOWERS is still eligible for his citizenship processing.

INVESTIGATION CONDUCTED TO DETERMINE
WHETHER OR NOT THE FBI UTILIZED AN
EMERY FREIGHT TRUCK DURING SUMMER OF
1972 FOR ANY PURPOSES WHATSOEVER.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 6, 1975

Records maintained by the FBI's Voucher-Statistical Section, Computer Systems Division, reflecting details of utilization of rental vehicles by the New York FBI Office were reviewed covering a period from January 6, 1972, to September, 1974.

There is no indication in these records that a three-quarter truck, white in color, bearing blue lettering "Emery Air Freight," was used by our New York Office. Similarly, there is no record reflecting usage of a black telephone company repair truck.

Interviewed on May 6, 1975 at Washington, D. C. File #
by Special Agent Edward D. Hegarty: bhg Date dictated May 6, 1975

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/13/75

ALFRED J. LUCCHI, District Manager, Emery Air Freight, Kennedy International Airport, Jamaica, New York, advised that he has been District Manager for Emery Air Freight since 1970. He stated that during this period, his company had never loaned any of its trucks to any law enforcement agency for any reason whatsoever. He said this information definitely would have come to his attention in his present position and he assured that it could not have happened without his knowledge. He advised that several years ago, his company had been requested to paint numbers on the top of their trucks by the New York Port Authority Police as an aid for surveillance purposes should any of their trucks become involved in a hijacking situation. LUCCHI advised that the company leased their trucks from Hertz Rental, 16301 Rockaway Boulevard, Jamaica, New York, for a six-months period and that he has known from past experience, after returning the leased trucks, Hertz apparently has had occasion shortly thereafter to rent the trucks still bearing the Emery designation to other customers.

Interviewed on 5/12/75 at Jamaica, New York File # 58-1854
Supervisors DONALD E. HARTNETT
and RICHARD F. KEEFE Date dictated 5/13/75
by DEH:DJG

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/16/75

JOSEPH LEMMO, District Comptroller for Hertz Corporation, 163-01 Rockaway Boulevard, Queens, New York, stated he has been employed in his present capacity for the company for a lengthy period of time and is responsible for handling the rental agreement between Emery Air Freight and Hertz Corporation in the New York City area. He stated that Hertz Corporation leases trucks to Emery Air Freight operating in the City of New York and after a period of time these trucks are turned back to Hertz Corporation by Emery Freight under the terms of their agreement. He related that when these trucks are returned by Emery Air Freight to Hertz Corporation that they are repainted and no longer bear any of the colors or identification associated with Emery Air Freight trucks. He advised he is absolutely confident that no one in Hertz Corporation temporarily loaned or rented these trucks at any time to any police agency while these trucks still bore the blue and white paint and name of Emery Air Freight. He emphasized this by stating that the leasing agreement between Emery Air Freight and Hertz Corporation is the largest contract held by Hertz Corporation and under no consideration would Hertz loan any trucks bearing the Emery Air Freight designation since this might possibly cause the contract to be terminated if any untoward incident occurred in relation to an Emery Air Freight truck.

Interviewed on 5/13/75 at Queens, New York File # 58-1854

by Supervisors Richard F. Keefe ^h and Donald E. Hartnett ^h Date dictated 5/16/75

RFK:DJG

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INVESTIGATION CONDUCTED IN EFFORT TO
DETERMINE WHETHER OR NOT THERE WAS ANY
ASSOCIATION WHATSOEVER BETWEEN JAMES
NAGI, WHO WAS MURDERED ON JUNE 17, 1974,
AND (SPECIAL AGENT JOSEPH STABILE)

FEDERAL BUREAU OF INVESTIGATION

May 5, 1975
Date of transcription1

A review of the notations of names, addresses, telephone numbers contained in the personal papers of James Nagi which were made available for review by Deputy Inspector John Nevins disclosed no identifiable references to SA Joseph Stabile by name, address or telephone number. (Stabile's telephone number 661-3898, 14 Plymouth Street, Cambridge, Massachusetts; Boston Office telephone number 742-5533; 516-864-1348) changed to 516-543-5422 in November, 1972, 66 Roxbury Drive, Commack, Long Island, New York; and confidential New York Office telephone numbers were compared to Nagi documents with negative results. Telephone number 535-7700 is the published number of the Federal Bureau of Investigation, U. S. Department of Justice, 201 E. 69th Street, New York, New York. Telephone number 535-7700 was found on a piece of white lined paper 8" x 10 1/2" and it was photocopied. This piece of paper also bears the written inscription:

"U. S. : Department of Justice
Federal Bureau of Investigation
201 E. 69th St.
N. Y. C. NY 10021"

To the left of the inscription appears the word "seal." The inscription appears to have been copied from FBI letterhead stationery, which bears the FBI seal.

Interviewed on May 2, 1975 at Brooklyn, New York File #
by Inspector Clark F. Brown and
Supervisor Edward D. Hegarty: wmj Date dictated May 5, 1975

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FEDERAL BUREAU OF INVESTIGATION

May 13, 1975

Date of transcription

Detective GEORGE COUTSAKIS, New York City Police Department, was interviewed in an office located on the premises of the 13th Precinct, New York City Police Department, Manhattan, New York. Prior to the interview EDWARD D. HEGARTY and CLARK F. BROWN identified themselves as representatives of the FBI Inspection Division, Washington, D. C.

Detective COUTSAKIS was asked if during his investigation of the murder of JAMES NAGI he had received any information indicating that anyone was in the possession of information alleging improper conduct and/or unlawful activity on the part of any member of any Federal Law Enforcement Agency, including the FBI, and he replied no. He was asked if during his conversations with GUILLERMO SOWERS he received any statement or indication from SOWERS alleging improper conduct and/or unlawful activity on the part of any member of any Federal Law Enforcement Agency, including the FBI, and he replied no.

Detective COUTSAKIS said he was assigned as the investigating homicide detective when JAMES NAGI's body was recovered on June 25, 1974. During the course of his investigation he had occasion to interview a number of NAGI's associates, including GUILLERMO SOWERS. He spoke with SOWERS on two or three occasions and SOWERS was uncooperative with him. Based on his, Detective COUTSAKIS', interviews of SOWERS, he described SOWERS as a "fantastic liar". He said that subsequent to his interviews of SOWERS, he learned that SOWERS has been and is now cooperating with the Prosecutor's Office, Brooklyn, New York, regarding the NAGI murder and other matters. During the early stages of the murder investigation conducted by Detective COUTSAKIS, Special Agents of the FBI, BRUCE, BROTMAN and JOHN GOOD, contacted him and furnished him with information regarding NAGI's associates. It was his impression that NAGI had been an informant for the FBI and probably for other law enforcement agencies, federal and local. He stated he did not have any definitive information as to what specific law enforcement personnel were utilizing NAGI as an informant, but he believes that possibly NAGI was an informant for the Drug Enforcement Agency (DEA). He could not recall the specifics which led him to believe that NAGI may have been an informant for DEA. He also believed that NAGI was possibly an informant for Detective PHILIP SHEVLIN

5/12/75 / New York, New York NY 58-1854

Interviewed on _____ of _____ File # _____

INSPECTOR CLARK F. BROWN and
SUPERVISOR EDWARD D. HEGARTY - EDH/mgh

5/13/75

by _____ Date dictated _____

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NY 58-1854

Sixth Precinct, New York City Police Department, who at one time had arrested NAGI in a stolen art case.

During the course of Detective COUTSAKIS' investigation he learned that New York State Parole Officer RICK GOLDSTEIN, telephone number 594-5800, Extension 248, was serving as NAGI's parole officer and was in frequent contact with NAGI prior to NAGI's death.

He was asked if at any time during the course of his investigation he came across a person named "ADAMS" or "STEVE ADAMS" and he said he did not.

He denied knowing former New York City Police Officers EUGENE STATILE or JOSEPH SCHIAFFINO.

Detective COUTSAKIS furnished a machine copy of a New York City Police Department report dated June 25, 1974, which sets forth a listing of notations, consisting of names and telephone numbers, which were found on the person of JAMES NAGI, deceased, on June 25, 1974.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 6, 1975

Special Agent John F. Good was interviewed in Room 602, Westbury Hotel, 69th Street and Madison Avenue, New York, New York. Prior to the interview Edward D. Hegarty and Clark F. Brown identified themselves as representatives of the FBI Inspection Division. Special Agent Good was advised purpose of the interview related to whether or not Special Agent Joseph Stabile or any other FBI employee, had violated the Bribery Statute. He was questioned specifically regarding his association with Ahmad Nagi, also James Nagi who was murdered on June 17, 1974. Special Agent Good furnished the following information:

Good began handling Nagi as a potential criminal informant as a result of a contact with Nagi on October 1, 1970, subsequent to Nagi's arrest August 31, 1970, by the Jersey City Police Department. Nagi was cooperative and he furnished information regarding an armed hijacking which occurred August 31, 1970. As a result of Nagi's cooperation the shipment was recovered and an arrest was made.

Nagi continued to provide information of value on other cases leading to the recovery of substantial amounts of stolen property and more than ten arrests in Theft from Interstate Shipment cases. Among the persons arrested were Henry Serrapica, Frank Lisi, Joseph Lisi, Anthony Annichiarico, Louis Felice, Harry L. Brown, Lennice Delain, Arthur Hubbard, Johnny Lawrence, Charles Wharton and fugitive Ralph Guarino.

Facts regarding Nagi's cooperation were made known to Assistant District Attorney Barry Freidman in connection with a planned hijacking in July, 1971. Information furnished by Nagi was disseminated prior to the proposed hijacking and subsequently Nagi was arrested. The charges were dismissed. Subsequently Nagi furnished very little information of value and he became unreliable and unstable. Nagi was "closed" as an informant in July, 1972. He was later reopened as a potential criminal informant in January, 1973, until April, 1973, during which period he furnished no information of value.

Interviewed on May 1, 2, 1975 at Brooklyn, New York File #

by Inspector Clark F. Brown and
Special Agent Edward D. Hegarty: bbg Date dictated May 5, 1975

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Nagi continued to contact SA Good from time to time but did not furnish any information of value. He usually called when he had been arrested by local authorities and was seeking assistance. On these occasions Good explained to him that there was nothing that the FBI could do to assist him. He requested assistance in connection with an arrest for a supermarket robbery in the Bronx. He explained that the stick-up had been set up by George Tropiano and Tropiano's associates which included the manager of the supermarket.

On May 2, 1975, SA Good advised that a short time prior to Nagi's murder, a three-month period, he contacted SA Good by telephone and advised that his parole officer was contemplating revocation of his parole because of arrests. Nagi said he told the parole officer that he had an incurable disease, and had less than a year to live. The parole officer, according to Nagi, said he was still going to revoke his parole unless he received a letter of confirmation from a doctor to the effect that he had an incurable disease.

Nagi further advised that he had contacted a doctor and had told the doctor that he was doing some work for the FBI and had to use the excuse that he had an incurable disease as a cover story and requested the doctor to give him a letter indicating this. Nagi said the doctor refused to do this unless he, the doctor, received a letter from the FBI requesting it.

Nagi requested a letter from SA Good which was denied. Good told Nagi he shouldn't have told the doctor that he was doing a job for the FBI since he, Nagi, knew this not to be true.

SA Good further advised that a few days later Nagi came to the New York Office to see SA Good who was not in. While in the office he may have observed a sample of FBI letterhead stationery. Several days later a telephone call was received possibly by Complaint Clerk Joan Wild, from a U. S. Government Agency believed to be GSA, advising that a person named James Nagi was attempting to pick up some FBI letterhead stationery.

On May 1 and 2, 1975, SA Good advised that he never contacted Nagi in the company of SA Joseph Stabile, he never discussed Nagi with

(Stabile); he has no reason whatsoever to believe that (SA Stabile) ever knew of or was interested in Nagi; he never discussed (SA Stabile) with Nagi; Nagi never indicated to him that he knew or heard of (SA Stabile); and Nagi never mentioned (SA Stabile) at any time.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 5, 1975

Mrs. Linda Nagi, nee Migliaccio, 140 Luqueer Street, Brooklyn, New York, telephone 625-0782, was interviewed on the premises, rear room, of the James-Lynn Coiffure Shop, 520 Clinton Street, Brooklyn, New York, telephone number 852-9619. Prior to the interview Edward D. Hegarty and Clark F. Brown identified themselves as employees of the FBI.

Mrs. Nagi was told the purpose of the interview was to determine whether or not she has any knowledge indicating that her late husband, James Nagi, had a corrupt association with any member of a Federal law enforcement agency.

She said she never had any reason to believe that her husband had a corrupt relationship with any law enforcement officer. She recalled that her husband was friendly with an FBI Agent named "John Good." She did not know if her husband was acquainted with any other Agents. The only Agent she ever heard her husband mention was John Good.

She was asked if she still had any of her husband's possessions such as address books and notations of names and telephone numbers and she said that she had turned these over to the Brooklyn District Attorney's Office. She said she had some telephone bills from her apartment which she would locate and make available for review.

She advised that while she was married to James Nagi he had a girl friend for about one year prior to his death, Susan Friedman, 3004 Avenue V, Apt. 1E, Brooklyn, New York, telephone number 648-5291. Among her husband's best friends she named Anthony Tanani, Junior Calisi and Pete Sowers.

She recalled that her husband, prior to his disappearance and death, had a problem with George Tropiano and Bill Cutolo and on Sunday, June 16, 1974, he told her that he was working with a Mr. White from Nadjari's office and that he, James Nagi, her, Mrs. Nagi, and their five-year-old child were going to be relocated and given a new identity by Nadjari's office.

Mrs. Nagi said that she never heard her husband saying that he had or wanted to have any FBI or New York City Police Department Detective badges. She said she never observed articles of this type in her husband's possession.

Interviewed on May 1, 2, 1975 at Brooklyn, New York File # NY 58-1854

by Inspector Clark F. Brown and
Supervisor Edward D. Hegarty:wmj Date dictated May 5, 1975

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NY 58-1854

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On May 2, 1975, Mrs. Nagi made available for review her telephone bills covering the period March, 1973, to April, 1975, for telephone number 212-625-0782, located at her residence. All of the toll calls were to numbers familiar to her except one, namely a call on 6/24/74 (after her husband's death) to 516-821-1514 at 11:59 AM, charge \$1.52, toll ticket 28RB75508610. This call appeared on the July, 1974, bill. There were 8 other toll calls on the July statement to 516-281-1514 which is the telephone number of her mother, Mary Migliaccio, 211 Laurelton Drive, Mastic, New York.

She said she had located the following additional notations made by her husband:

Eric Crawley 624-6443	Tom or Helan 518-946-2488 Bob
Frank Del Sole Avis Rent A Car E 43 Street	John Matos 81 Silver Meriden, Conn. Tel. 235-7526
875-0560 McCory's Dept. Store Fulton Street; Brooklyn, N. Y. Ask for Smitty	Ask for Danny Shep OR 5-2268 Prouenzano
UL 5-6570 Frankie	
Harry Baya 914-478-0331 381 Broadway Hastings on Hudson	
Mike 477-7648	

FEDERAL BUREAU OF INVESTIGATION

May 20, 1975

Date of transcription

Mrs. LINDA NAGI, 140 Luqueer Street, Brooklyn, New York, was telephonically contacted, telephone number 625-0782, which phone is located at her residence.

Prior to interview, EDWARD D. HEGARTY identified himself as a representative of the FBI Inspection Division who had spoken with her on previous occasion. Mrs. NAGI was asked if she had any knowledge as to whether or not her late husband JAMES had any magnetic voice tape recordings of conversations he may have had with other persons. She said she never knew her husband to have any tape recordings of any conversations he or other persons had. She furnished the residence telephone of her sister-in-law RAE NAGI as 241-0655.

(Telephonic)

Interviewed on 5/20/75 at New York, New York File # NY 58-1854

SUPERVISOR EDWARD D. HEGARTY/mgh

5/20/75

by

Date dictated

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 5, 19751

Mr. Mohammed Nagi, 60 Woodruff Avenue, Brooklyn, New York, telephone number 693-7850, was interviewed on the premises of the Brooklyn Union Gas Company, 195 Montague Avenue, Brooklyn, New York. Prior to the interview Edward D. Hegarty and Clark F. Brown identified themselves as employees of the FBI. It was explained to Mr. Nagi that the FBI was interested in learning any knowledge he might have regarding whether or not his late brother, James Nagi, had any contacts, corrupt or legitimate, with members of law enforcement agencies.

Mr. Nagi said that his brother had been a "paid informant" for the FBI and was close to an Agent named "John Good." He knew of no other FBI employees or employees of any other Federal law enforcement agency who were associated with his brother.

He said he never saw in his brother's possession an FBI badge and was never told by his brother or by anyone else that his brother possessed such a badge.

A group of eleven photographs, including one of Special Agent Joseph Stabile, was shown to him and he did not identify any of the photos.

Interviewed on May 1, 1975 at Brooklyn, New York File # _____
 by Inspector Clark F. Brown and
Supervisor Edward D. Hegarty:wmj Date dictated May 5, 1975

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 5, 1975

Miss Susan Friedman, Apt. 1E, 3004 Avenue V, Brooklyn, New York, telephone number 648-5291 was interviewed in her apartment. Prior to the interview Edward D. Hegarty and Clark F. Brown identified themselves as employees of the FBI. It was explained to Miss Friedman that the FBI was interested in learning any knowledge she might have regarding whether or not James Nagi had any contacts, corrupt or legitimate, with members of law enforcement agencies.

She advised that she dated Nagi for about one year prior to his death in June of 1974. She said she never was given any indication by Nagi that he, Nagi, had any corrupt or friendly relationships with any member of law enforcement. She said she did not know if Nagi was acquainted with anyone in the FBI.

She denied knowing the names of any of Nagi's friends and denied that Nagi had ever given her any personal papers to keep for him such as address books or notations of names and telephone numbers.

Interviewed on May 1, 1975 at Brooklyn, New York File # C74
by Inspector Clark F. Brown and
Supervisor Edward D. Hegarty:wmj Date dictated May 5, 1975

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/21/75

Miss C. RASEH NAGI, 105-84 Flatland 8th, Brooklyn, New York, telephone 241-0655, advised that she is the sister of JIMMY NAGI. She said she is Supervisor of Health and Drug Education and Health Services, Community School District 19, 2057 Linden Boulevard, Brooklyn, N. Y. 11207, telephone numbers 257-8619 and 257-6900.

Miss NAGI advised that for a period of approximately three weeks prior to her brother's murder, he had lived with her, having separated from his wife. She said her brother had always been very kind to her but she felt that he was trying to overcome the other side of his personality and his involvement with the criminal element. She said that they had always been very close and he frequently confided in her.

Approximately three or four years ago, her brother had told her that he was working for the FBI and specifically mentioned an agent by the name of John Good as his contact in the FBI. She further recalled that on one occasion when her brother had gotten in trouble he tried to get a statement from his family doctor to the effect that he had Leukemia and the doctor at the time mentioned to her that JIMMY had told him how he was working for the FBI and that she should see if there was any substance to this. She said the doctor was reluctant to furnish such an untruthful statement unless the FBI was willing to substantiate JIMMY's involvement with the agency. Miss NAGI said she never did contact the FBI concerning this matter.

She further stated that in 1973 JIMMY had served a nine months sentence for extortion and had asked her to contact Agent Good to try and get him out of jail. She said she never did contact Agent Good nor did her brother ever mention any other FBI contacts he might have who would help him in this matter.

She said that in addition to his contact with Agent Good in the FBI, NAGI used to brag about numerous contacts in the New York City Police Department and had a tendency to brag about having inside information. She said frequently her brother would be reading a newspaper account of a police investigation and would comment to her that he knew about that matter many months ago through his contacts in the Police Department.

Interviewed on 5/20/75 at Brooklyn, N. Y. File # 58-1854

Supervisors Donald E. Hartnett *DH*
and Richard F. Keefe *JK* Date dictated 5/21/75

DEH:DJG

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She stated that she has never heard of the names STABILE,
MORESCO or STATILE but did recall her brother talking about BILLY
CUTOLO, and possibly GEORGE TROPIANO, although she never met
either of these latter individuals. She also recalled her
brother mentioning that he used to have license numbers of police
cars but she never heard him discuss any knowledge he may have
about Emery Air Freight trucks being used by the Police Department.
She also stated she had no knowledge whatsoever that her brother
JIMMY ever had any radios in his possession capable of monitoring
police broadcasts, nor had he ever mentioned this to her. She
did recall her brother coming to her the Saturday before he was
murdered and described him as being very upset. He told her that
he had been picked up by the Nadjari Commission the previous day
and had been questioned into the early morning hours of that
Saturday and had been threatened in an effort to obtain his
cooperation. She said her brother did not tell her whether he
did in fact cooperate with them or not.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/21/75

Miss C. RASEH NAGI, 105-84 Flatland 8th, Brooklyn, New York, telephone 241-0655, advised that she is the sister of JIMMY NAGI. She said she is Supervisor of Health and Drug Education and Health Services, Community School District 19, 2057 Linden Boulevard, Brooklyn, N. Y. 11207, telephone numbers 257-8619 and 257-6900.

Miss NAGI made available effects she had in her possession, which her brother had left at her house prior to his murder. These papers contained various telephone numbers and notations set forth as follows:

438-5846
 237-2558
 855-6423 (Lee)
 438-2032 (Poncho-84 Lawrence Avenue, Brooklyn)
 649-7512 or 13 (Ask for Florence)
 257-8619
 559-3506 (Mr. Davis)
 531-7674
 875-8952
 875-1770
 852-5189
 497-2724 (2)
 852-9619 (2)
 788-8979
 2-839-3002
 875-3727 (2)
 874-8-6863
 852-8554
 852-4753
 855-8483
 438-4960 (Bill)
 257-8619

 101673 MV 78B
 U F 61 #
 * 5607

 76 Pct

Interviewed on 5/20/75 at Brooklyn, N.Y. File # 58-1854

by Supervisors Donald E. Hartnett D.J.
and Richard F. Keefe/ Date dictated 5/21/75

DEH:DJG

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Miss NAGI advised that she did not know the significance of any of these numbers. She also stated, however, that during the time that her brother JIMMY had frequently stayed at her apartment her telephone bill took a noticeable increase, which caused her to have the phone company check on all outgoing calls made during March 1974. She said the phone company had furnished her a list of these calls and advised that three of the calls made during that period were to people unknown to her. She furnished these numbers from the phone company report as follows:

327-8378 (MORRIS GORDON)
858-4587 (Miss E. HOFF)
251-6752 (IRVING GOTTLIEB)

She said she had no idea whether her brother JIMMY had called these individuals but had always suspected that he had been using the phone frequently and not admitting it to her.

FEDERAL BUREAU OF INVESTIGATION

5/22/75
Date of transcription

A review of notations of names, addresses, telephone numbers contained in personal papers of JAMES NAGI turned over to Supervisors Donald E. Hartnett and Richard F. Keefe on May 20, 1975 by Miss C. RASEH NAGI, 105-84 Flatland 8th Brooklyn, New York, telephone 241-0655, as personal effects of her brother, was made. No identifiable reference to (Special Agent Joseph Stabile) by name, address or telephone number was located. (Stabile's telephone number 661-3898, 14 Plymouth Street, Cambridge, Massachusetts; Boston Office telephone number 742-5533; 516-864-1348) changed to (516-543-5422) in November, 1972, 66 Roxbury Drive, Commack, Long Island, New York; and confidential New York Office telephone numbers were compared to NAGI'S documents with negative results. Telephone number 535-7700 is the published number of the Federal Bureau of Investigation, U. S. Department of Justice, 201 E. 69th Street, New York, New York. None of (Stabile's) telephone numbers were found listed in the documents turned over by Miss C. RASEH NAGI.

Interviewed on May 22, 1975 at New York File # 58-1854by Supervisor J. Robert Pearce Date dictated 5/22/75

JRP:DJG

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FEDERAL BUREAU OF INVESTIGATION

May 21, 1975

Date of transcription

Deputy Inspector JAMES NEVINS, Kings County Prosecutor's Office, Borough Hall, Brooklyn, New York, made available xerox copies of personal papers of JAMES A. NAGI. These papers had been removed from 105-84 Flatlands Avenue, Brooklyn, New York, on July 4, 1974, by officers of the Kings County Prosecutor's Office.

Interviewed on 5/20/75 at Brooklyn, New York File # NY 58-1854
by SA KLAUS C. ROHR/mgh Date dictated 5/21/75

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/13/75

ROBERT VILLEROEL, 210 7th Street, Brooklyn, New York, SO 8-9673, advised that he is presently self-employed in the construction business.

Mr. VILLEROEL said that his son ANTHONY VILLEROEL, date of birth 12/30/55, was arrested in May, 1972, with PETE SOWERS and JIM NAGI for an armed holdup of a Cooperative City chain store in the Bronx, New York. He stated all three were arrested 7/31/72 by the New York City Police Department and that his son subsequently pled guilty in September 1974, receiving a sentence of 3½ to 10 years. He was sent to the State Penitentiary in Elmira, New York, following which he was transferred to the Mattewan State Hospital, Long Island, New York, then returned to Elmira, and finally in April, 1975, was moved to the State Prison at Comstock, New York, where he is presently incarcerated.

Mr. VILLEROEL said that his son, who was only 16 years old at the time of his arrest, had been running around with NAGI and SOWERS for some time and that he had met both of these individuals at the Burger Prince Restaurant, Brooklyn, New York. He recalled that SOWERS had visited his apartment on one occasion but that he was never too friendly with either SOWERS or NAGI but recognized them as "bad people". He said he had warned his son to stay away from the two of them to no avail. VILLEROEL advised that he also frequented the Burger Prince Restaurant, which he said was owned by BILLY CUTOLO and JOE "MONK", whose last name he did not know. He also advised that he was acquainted with GEORGE TROPIANO, who also hung around the Burger Prince as did FREDDIE LNU, who VILLEROEL described as an old man. VILLEROEL said that in connection with his previous employment for the Elzee Medical Products Company, 8th Avenue and 39th Street, Brooklyn, New York, where he had worked for 19½ years prior to his son's arrest, that he had frequent business stops next door to the Burger Prince Restaurant and as a result used to drop in the restaurant. VILLEROEL stated that in his acquaintanceship with SOWERS, NAGI, CUTOLO and TROPIANO, which he described as casual in nature, he had never learned of any information relative to what they were involved with or any dealings with law enforcement officers. He also denied having any knowledge of NAGI having been previously arrested or being concerned about any trouble with the law. VILLEROEL also stated his son ANTHONY had never discussed with him any problems that NAGI or SOWERS

Interviewed on 5/12/75 at Brooklyn, N. Y. File # 58-1854

Supervisors DONALD E. HARTNETT
and RICHARD F. KEEFE Date dictated 5/13/75
 by

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had had with law enforcement nor did he ever mention the fact that they may have any contacts with any law enforcement agency.

VILLEROEL stated that he has been a law abiding citizen all his life, having never been arrested and once again stated that he only casually knew the above-named individuals through his son's association with SOWERS and NAGI and his stops at the Burger Prince Restaurant. He stated that he had only visited his son ANTHONY at Comstock Prison the day before and felt that his son would straighten out and in all likelihood would cooperate with any law enforcement agency concerning any information he may have in his possession.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/16/75

AL PARRY, Chief Clerk at Great Meadow Prison, Comstock, New York furnished the following information relating to the file, maintained at that institution for ANTHONY VILLEROEL, #33161:

VILLEROEL was born 12/30/55 in New York City, is 5'10" and weighs 160 pounds. He is assigned FBI #877952J7 and New York State Identification #3423765M. A review of this file revealed several probation reports prepared in relation to cases involving VILLEROEL and adjudicated in New York State Courts. These probation reports referred to VILLEROEL as "given to verbalizing" and in essence referring to the inmate as "egocentric, immature and undisciplined individual of impulsive bent".

In August 1972, while incarcerated at Rikers Island, VILLEROEL attempted suicide by hanging and was determined to have "severe character disorder with dangerous impulses", as well as being referred to as immature, callous and an individual who showed little remorse or guilt feelings. The file further revealed that at the age of 16, he had used both Heroin and Cocaine for a period of several months but was not at the time addicted.

Following is a list of individuals on record at the Great Meadow Prison as either friends or cousins of VILLEROEL, all of which names were recorded on or prior to May 15, 1975:

Miss Sandy Cinque, 333 Washington Avenue, Brooklyn (friend)
 Miss Nancy Corsa, 119 Columbus Drive, Tenafly, New Jersey (friend)
 Joe Cacciatore, 1796 Oakland Avenue, Wantagh, N. Y. (friend)
 Dianna Domino, 434 4th Avenue, Brooklyn (friend)
 Miss Marie Cona, 278 7th Street, Brooklyn (friend)
 Miss Carol Petillo, 212 7th Street, Brooklyn (cousin)
 Miss Lorraine Miniero, 212 7th Street, Brooklyn (cousin)
 Mr. Toni Stanzione, 1938 82nd Street, Brooklyn (friend)
 Paula Flumauno, 321 Smith Street, Brooklyn (girlfriend)
 Melissa Acosta, 1316 Halsey Street, Brooklyn (friend)
 Miss Cris Daspuro, 241 45th Street, Brooklyn (friend)
 Rose and Chalatta Calese, 70 Lancaster Avenue, Brooklyn (friends)

Interviewed on 5/15/75 at Comstock, New York File # 58-1854

Supervisors RICHARD F. KEEFE
 and DONALD E. HARTNETT
 by K SAC Date dictated 5/16/75

RFK:DJG

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/16/75

ANTHONY VILLEROEL, #33161, an inmate at the Great Meadow Correctional Institute, advised that he is presently serving a prison sentence of three and one-half to ten years for an armed holdup in Bronx, New York, in 1972. He stated that he was acquainted with JAMES NAGI for many years and that he and NAGI began to pull scores during the Spring of 1972 and that they worked together through 1974 until NAGI was murdered. He said that he and NAGI, as well as another accomplice on these scores, PETE SOWERS, hung around the Burger Prince Restaurant, 66th Street and 8th Avenue, Brooklyn, N. Y., during this period.

VILLEROEL recalled that in the Spring of 1972, JIMMY NAGI was driving him around in a "hot car" on which NAGI had changed the VIN. They were stopped by two police officers, who subsequently took them to the 66th Precinct, New York City Police Department, New York, for questioning. He recalled one of the officers was named BROCKMAN (phonetic). He said when they got to the precinct, NAGI asked for and was allowed to make a telephone call and that after talking on the phone for several minutes, he turned the phone over to one of the police officers, who had brought them in. Following a short conversation, this police officer said that they had to meet with someone and would be back shortly. During their absence, NAGI told VILLEROEL that he had called his contact in the New York City Police Department, Detective EDDIE CARROLL, who said he would handle the matter. Approximately a half hour later the two police officers returned and said that NAGI was free to go but that VILLEROEL was being charged with grand larceny-auto. VILLEROEL said that NAGI had frequently told him about his contact in the New York Police Department EDDIE CARROLL, and that NAGI had to make payments to CARROLL for protection purposes. He said that he himself had frequently received telephone calls from CARROLL at his residence, when CARROLL was attempting to locate NAGI. He said that he knew the caller was CARROLL because the latter had so identified himself on at least one occasion. VILLEROEL believed that CARROLL was presently serving as an aide to a Deputy Inspector in the New York City Police Department, and that NAGI frequently furnished information concerning various activities of people he knew to CARROLL. He said it was common street talk that NAGI was a police informant. He advised that on several occasions NAGI had

Interviewed on 5/15/75 at Comstock, New York File # 58-1854

Supervisors DONALD E. HARTNETT ^{NY}
and RICHARD F. KEEFE
by _____ Date dictated 5/16/75

DEH:DJG

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warned him after receiving information from CARROLL that the "heat was on" VILLEROEL's house and that he was to be careful! VILLEROEL advised that CARROLL never tried to put the "squeeze" on him for information.

VILLEROEL also volunteered that NAGI frequently mentioned to him that he had a contact in the FBI, who was the agent who had arrested NAGI on a hijack case in New Jersey a few years ago. He said that NAGI never expressed any concern to him nor did he seem to worry about any possible charges or trial taking place in connection with the hijacking charge against him. VILLEROEL also recalled that in connection with this hijacking that NAGI told him he had been caught with the driver of the hijacked truck in his car.

VILLEROEL continued that about January 1973, he and NAGI opened up a body and fender shop at 435 2nd Avenue, Brooklyn, New York, and that they dealt in hot cars. He recalled on one occasion, while leaving this location two individuals, who from appearance were apparently police officers, arrived at the shop to talk with NAGI. He said NAGI later told him that these were FBI men but did not state whether either one of them was the individual NAGI had described as his FBI contact. In this regard, VILLEROEL said that he believes possibly the name of NAGI's FBI contact had been HOFFMAN but couldn't be sure of this. VILLEROEL stated that NAGI had a telephone number in his possession by which he could check out registration data for license numbers of suspected police cars by calling the telephone and pretending he was a cop. He said also that NAGI had shown him a list of license numbers, which he said were FBI cars, and that these numbers had been furnished him by his police contact. VILLEROEL said that he was quite sure that NAGI had told him it was a police contact that had furnished him this list rather than his FBI contact. In response to whether VILLEROEL had any other knowledge of police cars that might be interested in either NAGI or his activities, he volunteered that it was common knowledge around the Burger Prince that Emery Air Freight trucks were being used by the police. He said this was because the same Emery Air Freight truck would frequently come to the Burger Prince and the two occupants would sit around the Burger Prince for several hours over one cup of coffee and gave every indication of being connected with law enforcement. He recalled asking NAGI one time to ask who these people were and NAGI subsequently told him that they were the FBI.

VILLEROEL stated that during the Spring of 1973, he recalled that NAGI had told him that he needed \$1,000.00 for his FBI contact, who would supply him with crystals for FBI radio frequencies. He said he told NAGI that this was too much money and never did know whether NAGI obtained such crystals. He did say that NAGI had a radio in his possession, which they used to plug into the cigarette lighter of NAGI's car, which was capable of monitoring the various police frequencies in Brooklyn, and that they would use this while casing or pulling scores. He also recalled on one occasion that NAGI asked him for and he gave him a portion of one of his scores for the purpose of, according to NAGI, paying the latter's FBI contact. He further recalled that NAGI never mentioned his FBI contact to him after approximately the middle of 1973.

VILLEROEL said that in connection with his appeal on the robbery charges, for which he was incarcerated, he had obtained a copy of a police report of the investigation, which reflected that an FBI Agent had apparently also looked into the matter. He said that he could not recall the agent's name but that he did have it in his possession in his cell. At the conclusion of the interview, VILLEROEL said he would get the name of the agent from the report and furnish it to one of the guards who took him to his cell, who could then relay it to the interviewing agents. The guard subsequently furnished the name he had obtained from VILLEROEL as being HONFMAN.

VILLEROEL continued that in 1972, he had met PETE SOWERS through NAGI at the Burger Prince and they had gone on many scores until VILLEROEL was incarcerated in September 1974. He described SOWERS as a very stupid individual, who had been the manager of the store he and NAGI held up in the Bronx, for which he, VILLEROEL, was presently in jail. He said SOWERS had actually set up the score for them and was charged with the crime. He said that NAGI and SOWERS, as well as himself, were acquainted with BILLY CUTOLÒ and GEORGE TROPIANO. VILLEROEL pointed out that he was employed at the Burger Prince during this period of time by CUTOLÒ. He said NAGI and SOWERS both told him that CUTOLÒ and TROPIANO were very important guys but that neither of them had ever confided in him about whatever they were doing. He did recall that CUTOLÒ used to warn him by saying that he should stay away from NAGI and SOWERS because they were "bad news". He pointed out that neither CUTOLÒ nor TROPIANO had ever told him of any contacts they had with law enforcement nor had he ever heard any street talk that they had such contacts. He further advised that he really did not know any close contacts other than himself of NAGI or SOWERS and that he did not think that these two individuals were very close to CUTOLÒ or TROPIANO. He said

the street talk was that NAGI was killed over a million dollar art score of a doctor's apartment at the Golden Gate Hotel. He could furnish no further details in this regard. VILLEROEL denied ever hearing of JOE STOPS or STABBS or the names (STABILE), STATILE, (MORESCO) or SCHIAFFINO. VILLEROEL further denied ever having been contacted by or having had any association with FBI Agents. He said in connection with his incarceration he had been originally sent to Elmira Reformatory, where he got the reputation of being a wise guy and that he had been examined by a doctor there, who said he was crazy, because he gave "goofy answers". He said he was subsequently transferred to Mattewan State Hospital for psychiatric examination, where he stayed for a short period, and then was sent back to Elmira and subsequently to Great Meadow. He advised that he would be willing to subject himself to a lie detector test concerning the above facts but would only do so with the consent of his attorney JOHN DOCKERY, 26 Court Street, Brooklyn, New York.

FEDERAL BUREAU OF INVESTIGATION

May 22, 1975

Date of transcription

SA HOMER P. HOFFMAN was interviewed on the premises of the New York FBI Office, 201 East 69th Street, New York City, New York. Prior to the interview EDWARD D. HEGARTY identified himself as a representative of the FBI Inspection Division, Washington, D. C.

SA HOFFMAN was asked if the names of JAMES AHMED NAGI or GUILLERMO SOWERS were known to him and he replied that they were not. Background information regarding Mr. NAGI was furnished to him for purposes of refreshing his recollection and he categorically denied ever having met or having any knowledge of such a person. An FD 302 reporting an interview with ANTHONY VILLEROEL May 15, 1975, was shown to SA HOFFMAN and he read the Interview Report, which makes reference to an FBI agent named HOFFMAN. After reviewing the Interview Report, he said he never had any contact whatsoever with anyone named JAMES NAGI and he was at a complete loss to explain how VILLEROEL could be of the belief that NAGI had been in contact with him, SA HOFFMAN.

SA HOFFMAN advised that he has been assigned to the New York FBI Office for the past six years and his primary investigative assignments relate to bank robbery investigations. He speculated that it is quite possible a New York City police officer may have made inquiry of him, some time in the past, regarding VILLEROEL, and that he may have told him that he knew nothing about VILLEROEL, which might have resulted in a notation being placed in a police file indicating contact with him.

5/21/75 New York, New York

NY 58-1854

Interviewed on _____ at _____ File # _____

SUPERVISOR EDWARD D. HEGARTY/mgh

5/22/75

by _____ Date dictated _____

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/13/75

Mr. ROBERT JAMES MARTIN, inmate at the Atlantic Avenue Jail, Brooklyn, New York, was interviewed on these premises. Mr. MARTIN advised that he is currently serving a one-year sentence for Conspiracy to Commit Armed Robbery. He also advised that he is in jail under Prison #775-484.

Prior to being arrested Mr. MARTIN advised he resided at 27 Lloyd Street, Brooklyn, New York.

At this time SA ROHR told Mr. MARTIN that the Agents desired to interview him regarding his possible association with JAMES NAGI, WILLIAM CUTOLO and GEORGE TROPIANO. SA ROHR also told MARTIN that he did not have to talk to the Agents, and that anything he does say could and would be used against him later in a court of law. Further, that he has a right to consult with his attorney, and should he be unable to afford an attorney, one would be assigned to him free of charge by the United States District Court Judge. MARTIN advised that he understood his rights as explained to him by SA ROHR. He also advised that he would like to speak to the Agents at this time because since being incarcerated he has re-discovered the religious upbringing of his youth and intends in the future to devote his time as a minister, guiding other people in trouble.

MARTIN said that from 1969 to 1973 he was on a voluntary basis doing makeup work for officers of the New York City Police Department Tactical Patrol Force. Additionally, he advised he was a Sergeant in the Auxiliary Police of the 12th Division, New York City Police Department, from 1965 to 1974. Prior to his incarceration, he was also employed as the Manager of the Caribbean Room at 1082 Rogers Avenue, Brooklyn, New York.

MARTIN advised that he first met JAMES NAGI through his brother-in-law, LESLIE GATHERER, of Columbia Place, Brooklyn Heights, New York. GATHERER, he stated, had brought NAGI and his girl friend SUSAN to his house in the first week of February, 1974. Subsequently, MARTIN advised GATHERER also brought one of NAGI's associates and introduced him. This individual, he stated, was named MICHAEL IOVINE. He was told by NAGI, GATHERER and IOVINE that they could use him to do a couple of small jobs. NAGI in particular told him that he was working for some people in

Interviewed on 5/12/75 at NYC Brooklyn, New York File # NY 58-1854

by SA KLAUS C. ROHR and
Supervisor J. ROBERT PEARCE/rm Date dictated 5/13/75

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Bayridge named BILLY and GEORGE, and that he did trailer jobs for them. NAGI also asked him if he could provide him with makeup for some of his other jobs.

Later in February, 1974 MARTIN stated GATHERER took him to the Franklin Arms Hotel in New York and introduced him to two black men named STANLEY SIMMONS aka Fly and MELVIN BARNES aka Cisco. These men were operating a prostitution ring inside the hotel at this time. After the first introduction, both FLY and CISCO, he stated, began coming to the Caribbean Room Bar where he, MARTIN, was working at the time.

At the Caribbean Bar FLY and CISCO met with NAGI and IOVINE, as well as GATHERER and himself, MARTIN advised. Together they talked about various jobs that they could pull. One of the jobs that they discussed, he advised, was a jewel robbery which was to be arranged by a jeweler named BILL.

CISCO and FLY also told them that they had a connection in the Bronx who could provide them with New York City detective and police badges, as well as arrest and search warrants. CISCO and FLY intended to use this paraphernalia to rob independent numbers operators, loansharks and narcotics pushers. MARTIN said that CISCO requested he go along on these jobs and provide them with makeup so that the victims would not be able to identify them later.

MARTIN said that sometime in the spring of 1972 he, CISCO, and a Spanish American named SPEEDY went to a restaurant in the Bronx near Yankee Stadium. There they met with two unknown Negro males, who drove them to a very wealthy-looking neighborhood in Manhattan. The two unknown Negro males then showed them an apartment house and gave them the apartment number of a numbers operator who was living on the premises. MARTIN advised that they were all given New York City detective badges, .38 calibre pistols, and an arrest warrant for the numbers operator. With this paraphernalia they entered the apartment house, went to the designated apartment, and identified themselves as police officers. MARTIN advised that a woman answered the doorbell and told them that the numbers operator who

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they were looking for no longer resided at this address. As a result of this, all of the men left the building and returned the police paraphernalia to the two unknown Negro males.

MARTIN advised that shortly after this incident he participated in a similar operation with CISCO and FLY. This robbery, he stated, took place in Harlem and again they were all armed with New York detective badges, pistols and an arrest warrant. The victim at this time was a black female narcotics pusher, who was supposed to have \$40,000.00 on her person. At the time of the robbery, however, MARTIN stated she only had \$600.00, which they took.

MARTIN advised that NAGI did not participate in any of these robberies although he was aware from conversations the group had with him about the methods with which they were committing these robberies. The only criminal dealing that they had with NAGI during the spring of 1974, MARTIN advised, was in trying to sell some stolen art objects in the possession of JAMES NAGI. As far as he recalled MARTIN advised that some people working for NAGI had stolen these art objects valued at \$250,000.00 from a Dr. SALERNO of New York City. NAGI, he advised, complained that too many people knew about the burglary and then asked him, MARTIN, if he could find a buyer for the art objects. MARTIN advised that he then got in touch with a SIDNEY SCHMALOWITZ, a jeweler who specialized also in stolen jewelry and other art objects. SCHMALOWITZ, MARTIN advised, was able to find a buyer but by this time NAGI had told him that his people, BILL and GEORGE, had taken the art objects from him and he could not get them back. At this time MARTIN advised he found out about all the problems that NAGI was having with his people in Bayridge.

MARTIN said that he had been told by one of NAGI's other associates, ANTHONY, whose last name he did not recall, that sometime in 1972 or 1973 NAGI, on the orders of his people in Brooklyn, had pulled a supermarket robbery in Co-op City, New York. This robbery, he was told, netted NAGI \$100,000.00.

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Later, though, NAGI was arrested for this robbery because the assistant manager of the supermarket, who was also involved in this robbery, had confessed to the police. Prior to his arrest, though, NAGI had kept a good part of the money he netted in this robbery instead of turning it all over to BILL and GEORGE in Brooklyn. In addition to this particular incident, MARTIN stated he found out from NAGI and others that NAGI was holding back goods that he obtained through hijacking jobs that he was doing for BILL and GEORGE in Brooklyn. As a result, BILL and GEORGE put a lot of pressure on NAGI for their money. MARTIN advised it got so bad that during a period of about one month he gave NAGI about \$700.00 to repay BILL and GEORGE.

Beginning approximately May, 1974, FLY, CISCO, NAGI and possibly IOVINE, as well as he, MARTIN, discussed a robbery in which they were to rob a New York City Water Department official, who allegedly had one-half million dollars hidden in the basement of his home. The robbery was to be carried out by two New York City policemen, who had been regularly shaking down CISCO and FLY on their prostitution operation. NAGI, early in the planning of this robbery, told them that he did not want any part of it, although he did continue to participate in the planning of the robbery.

On June 8, 1974, MARTIN stated CISCO and FLY told him that the following Monday they would be bringing the two policemen over to him so he could make them up with a suitable disguise for the upcoming robbery. When CISCO brought the two policemen to his house he recognized one of the policemen as VINCENT RIZZO. The other policeman's name he stated was DINERO. The two policemen asked him about his makeup work, and then he actually made up one of the policemen. As they had planned, the two policemen were to return to his house on Thursday, in order to be made up for the robbery, which was to take place that Friday. After the two policemen had left, FLY and CISCO told him, MARTIN, that this robbery was to be a frame job on the two policemen, that is that when the two policemen were in the house conducting the robbery, CISCO and FLY would contact the Police Department and tell them that two men were robbing this particular City official. CISCO and

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FLY said they wanted to do this in order to get rid of the two policemen because they were shaking them down for too much money on their prostitution operation.

MARTIN advised that on the morning of the robbery which he recalls was Friday, June 14, 1974, he went to the Caribbean Room, where he met JAMES NAGI and MIKE IOVINE. He asked both of them to return to his house with him, where they spent most of the day. While in the apartment, MARTIN advised, officers attached to the NAJARI Commission executed a warrant on the place and arrested everyone there. MARTIN was told that he was being arrested for homicide on a police officer while NAGI and IOVINE were picked up simply because they were on the premises. MARTIN also advised that the officers found a number of guns in his apartment, all of which belonged to him. Additionally, they found several badges, one of which was an ambulance driver's badge that he used when he had been driving an ambulance, and the other was an old auxiliary police badge.

MARTIN advised that as far as he has been told the two police officers that were to do the robbery were actually working in an undercover capacity and he was later charged with conspiracy to commit armed robbery. After having pleaded guilty to this charge, MARTIN stated he was sentenced to one year in prison, and is currently serving this sentence.

MARTIN advised that since having met NAGI early in 1974 until NAGI's death in June of that year, he had a number of discussions with NAGI and his associates. At no time did NAGI ever tell him that he had a source or a friend in any part of the Federal Law Enforcement Establishment. The only connections NAGI ever bragged about were his people in Bayridge, BILL and GEORGE, whose last names MARTIN could not recall. MARTIN also stated that the only police badges that he had ever had in his possession were those furnished him by the two Negro men working with CISCO and FLY. As he stated before, the badges found by the police officers in his apartment were an ambulance driver's badge and an auxiliary police badge, which were never used in any

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criminal activity. Mr. MARTIN was now shown a Federal Bureau of Investigation badge. After viewing this badge, he stated that neither NAGI nor CISCO, and FLY's associates in the Bronx, had ever shown him a badge similar to the Federal Bureau of Investigation badge he had just viewed. MARTIN again reiterated that he had never been told by NAGI or any of his associates about any possible connection that NAGI or his two people, BILL and GEORGE, in Brooklyn, had with any officer or Agent of the Federal Law Enforcement Establishment.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 21, 1975

Mr. LESLIE E. GATHERER, 51 Columbia Place, Brooklyn, New York, telephone 858-5528, was interviewed at this location. Mr. GATHERER advised that he has known JAMES NAGI very well since 1968 or 1969. Beginning in early 1974, he stated, he, NAGI, his brother-in-law ROBERT MARTIN, as well as two other individuals named STANLEY SIMMONS and MELVIN BARNES, started to meet regularly at the Caribbean Room, a Cocktail Lounge, managed by MARTIN. It was during these meetings that NAGI involved them all in the sale of some paintings which he and others apparently had stolen earlier. NAGI tried to sell the paintings through ROBERT MARTIN, but was unable to do so because he had given some of the paintings to WILLIAM CUTOLO and GEORGE TROPIANO, who usually could be found at the Burger Prince Restaurant, 65th Street and Eighth Avenue, Brooklyn, New York. According to GATHERER, CUTOLO and TROPIANO kept the paintings because NAGI owed them a great deal of money. Up until the time NAGI was killed in June, 1974, he advised he kept hearing from NAGI and others that he was very deeply in debt to CUTOLO and TROPIANO.

During the time he was associated with NAGI, GATHERER stated he never heard him say anything about a connection he had in Federal Law Enforcement. GATHERER said that NAGI knew a lot of people and talked freely about them to him, but he never told him about any FBI agent or any other individual representing law enforcement on a local level. NAGI at no time ever told him that he was paying any law enforcement official for help and/or information.

Mr. GATHERER also advised that he had never heard any discussion to the effect that NAGI was acting as an informant for the FBI.

5/20/75 Brooklyn, New York NY 58-1854
Interviewed on 5/20/75 at NYC File #
by SAS KLAUS C. ROHR and FORD W. COLE Date dictated 5/21/75
KCR/mch

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 13, 1975

SA BRUCE, J. BROTMAN was interviewed in Room 1209, Westbury Hotel, 69th Street and Madison Avenue, New York, New York. Prior to the interview, EDWARD D. HEGARTY identified himself as a representative of the FBI Inspection Division, Washington, D. C.

SA BROTMAN advised he entered on duty as a Special Agent of the Federal Bureau of Investigation, December 1, 1969, and has served in the New York Field Office during the past four and one-half years.

SA BROTMAN was told the purpose of the interview was to determine if he has any knowledge of any unlawful conduct on the part of Special Agent JOSEPH STABILE or any other Special Agent or employee of the Federal Bureau of Investigation, or knowledge of unlawful conduct on the part of any member of any Federal Law Enforcement Agency. He advised that he is not personally acquainted with (SA STABILE) and never had occasion to work with (SA STABILE). He said that he has no knowledge whatsoever which would indicate or suggest that (SA STABILE) or any other employee of the FBI has engaged in any form of unlawful conduct.

SA BROTMAN was asked if he had furnished the New York City Police Department with information regarding one ROBERT MARTIN, 27 Lloyd Street, Brooklyn, New York. He replied that he developed an informant in January, 1974, and subsequently received from this informant information regarding the activities of ROBERT MARTIN, JAMES NAGI, MIKE IOVINE, LESLIE GATHERER and other persons involved in robbery and burglary activities.

Information obtained from the informant was passed along to interested New York City Police Department officials.

At no time did SA BROTMAN's informant ever state or indicate that he had any knowledge in his possession indicating that any federal employee had comported himself in an unlawful manner. He said that ROBERT MARTIN was alleged to have had all types of disguises and make-up equipment, including police badges. However, at no time did the informant state that MARTIN had

Interviewed on 5/9/75 at New York, New York File # NY 58-1854

SUPERVISOR EDWARD D. HEGARTY/mgh

5/12/75

by _____

Date dictated _____

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NY 58-1854

available any FBI badges.

SA BROTMAN furnished Supervisor HEGARTY for review the FBI case file on his informant, described above, and the entire file was read.

There is no statement or indication whatsoever in SA BROTMAN's informant file indicating improper or unlawful conduct on the part of any member of any Federal Law Enforcement Agency, including the FBI.

FEDERAL BUREAU OF INVESTIGATION

5/21/75

Date of transcription

Detective Edmund Carroll, 103rd Precinct, New York City Police Department, advised that he had worked on the hijacking squad from 1967 until the latter part of 1972, at which time he transferred to his present assignment. He said that during the course of his work with the hijacking squad he became acquainted with JIMMY NAGI, who at the time was dealing in hot cars, mainly Cadillacs. During this same period, Carroll stated that he worked closely with various FBI Agents, including John Good, and that both he and Good had been using NAGI as an informant. He described NAGI as being a braggart, who frequented both the 61st and 62nd Precincts, New York City Police Department, located in the Brooklyn area. He said NAGI was always telling people about his inside contacts with the Police Department and how he could get things taken care of. In addition, he said NAGI talked about having contacts in the Safe and Loft Squad and used to carry a list of license numbers, which he said were cars used by the local precincts. Carroll said he never heard NAGI discuss any contacts he had with FBI Agents, other than John Good, but he did recall on two or three occasions seeing NAGI with Tony Villano, whom he knew to be an FBI Agent and with whom he had worked frequently. He recalled on one occasion that NAGI had called him and asked him to meet in a restaurant. When he arrived, NAGI and Villano were together at the restaurant. He said he could not furnish any further details concerning the relationship between Villano and NAGI, other than they were acquainted. Carroll said to the best of his knowledge it was sometime prior to the latter part of 1972, when he saw Villano with NAGI, but could not pinpoint the time more specifically.

He further described NAGI as the type of individual who would tell his friends about his contacts in the Police Department and to prove this would call a police officer on the telephone to set up a meeting, while at the same time letting one of his friends listen to the call to prove that he had such contacts. He said a good example was several years ago during the course of an investigation they utilized a telephone intercept in which NAGI was overheard telling a friend of his how he could get a case fixed because of his acquaintanceship with a certain New York City Police Officer.

Interviewed on 5/20/75 at New York File # 58-1854

Supervisors Donald E. Hartnett by
by Richard F. Keefe Date dictated 5/21/75

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He said several months later NAGI was brought in for questioning and unbeknown to him, this so-called contact of his in the New York City Police Department was present during the interview. During the course of questioning, NAGI was asked about his relationship with this so-called contact in the Police Department and NAGI said they were good friends. He was then confronted with the fact that this so-called contact of his was in his presence at the interview and he had to admit that he had lied.

Detective CARROLL advised that his unit working hijacking matters had never utilized any Emery Air Freight Trucks but knew that the Safe and Loft Squad frequently borrowed vehicles for their work but that he did not know whether they in fact had ever used Emery Air Freight trucks. He advised that the name JOE STABBS or STOPS somehow rang a bell with him but he could not elaborate on this. He said he had never heard the names (MORESCO) or STABILE before but did know a TOMMY STABILE, who was a hood, and had a brother JOE. He also advised that during his dealings with NAGI, he had never known NAGI to have any crystals or radio sets capable of monitoring police radios.

Detective CARROLL reiterated the only two FBI Agents he had ever known to associate with NAGI was John Good and (Tony Villano) and had no information that either of these had ever been furnishing NAGI with any confidential information concerning FBI investigations. He said there was no doubt in his mind, however, that NAGI had contacts in the New York City Police Department, especially in the Safe and Loft Squad in the Brooklyn area, and could well have been receiving information from certain police officers assigned to this squad.

FEDERAL BUREAU OF INVESTIGATION

May 22, 1975

Date of transcription

ANTHONY VILLANO, former FBI Special Agent, Retired, was interviewed in Room 1511, Westbury Hotel, East 69th Street, and Madison Avenue, New York, New York. Prior to interview EDWARD D. HEGARTY identified himself as a representative of the Inspection Division, Washington, D. C., and SA J. ROBERT PEARCE identified himself as an FBI Supervisor, who was previously known to Mr. (VILLANO) as an FBI Supervisor.

Mr. (VILLANO) was exhibited a photograph of JAMES NAGI, Jersey City Police Department No. 32899, and he was asked if he was ever in contact with this person and he was asked to furnish any information that he might have concerning this person. Mr. (VILLANO) said that he has no recollection whatsoever ever having met or been in the company of JAMES NAGI and was at a complete loss to explain how anyone could say they observed him on two or three occasions in the company of Mr. NAGI. He was then exhibited a photograph of GUILLERMO SOWERS, New York City Police Department Number 3466574 and he said that he has no recollection of having ever met the person depicted in the photograph. He said that the name GUILLERMO SOWERS or alias PETE SOWERS were not meaningful to him in any manner.

Interviewed on 5/21/75 at New York, New York File # NY 58-1854
by SUPERVISOR EDWARD D. HEGARTY and SUPERVISOR J. ROBERT PEARCE
EDH/mgh Date dictated 5/22/75

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FEDERAL BUREAU OF INVESTIGATION

May 13, 1975

Date of transcription _____

Mr. FREDRIC GOLDSTEIN, New York State Parole Officer, was interviewed in his office, 314 West 40th Street, New York, New York. Prior to interview EDWARD D. HEGARTY and CLARK F. BROWN identified themselves as representatives of the FBI Inspection Division, Washington, D. C.

It was explained to Mr. GOLDSTEIN that the purpose of the interview was to determine whether or not JAMES NAGI had ever stated or indicated to Mr. GOLDSTEIN that he had knowledge of improper conduct or unlawful activity on the part of any member of any Federal Law Enforcement Agency, including the FBI. Mr. GOLDSTEIN immediately replied that he does not recall NAGI ever stating or indicating that he had such information or knowledge in his possession. Mr. GOLDSTEIN then reviewed his agency's records relating to JAMES NAGI and he did not locate any references in the agency's records indicating NAGI had furnished any information regarding improper or unlawful conduct on the part of any member of any Federal Law Enforcement Agency.

Mr. GOLDSTEIN said Mr. NAGI was on parole status since his release from Rikers Island, July, 1973, where he was confined in March, 1973. Mr. GOLDSTEIN's first contact with him was on July 19, 1973, and continuous contact was maintained with NAGI by him up until his, NAGI's, death. Mr. GOLDSTEIN said that an approximate estimate of the number of times that he spoke, personally or telephonically, with NAGI would be 200 times. He reiterated that during the course of these many contacts he never received any indication whatever that NAGI had in his possession information alleging improper conduct or unlawful activity on the part of any member of any Federal Law Enforcement Agency, including the FBI.

Mr. GOLDSTEIN recalled and he refreshed his recollection from a review of his agency's records that NAGI furnished organized crime type intelligence information to him regarding GEORGE TROPIANO, WILLIAM CUTOLO and others and he, Mr. GOLDSTEIN, in turn brought this information to the attention of Senior Parole Officer New York State JOHN E. EVERSLY who, he believed, passed the information on to the New York City Police Department.

Interviewed on 5/13/75 at New York, New York File # NY 58-1854
 by INSPECTOR CLARK F. BROWN and
SUPERVISOR EDWARD D. HEGARTY - EDH/mgh Date dictated 5/13/75

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NY 58-1854

Mr. GOLDSTEIN, in the presence of Special Agents BROWN and HEGARTY, inquired of Mr. EVERSLY, who was informed of the FBI's interest in what he did with the information he obtained from NAGI, and he replied that he furnished the information to New York City Police Department Lieutenant WHITE at Brooklyn, New York. At first, Mr. EVERSLY stated he did not believe he told Lieutenant WHITE that the information came from JAMES NAGI, but upon further reflection he thought that possibly he did advise Lieutenant WHITE that the source of the information was JAMES NAGI.

Mr. GOLDSTEIN advised that he was informed by NAGI on April 9, 1974, that he, NAGI, had been threatened by WILLIAM CUTOLO. He said that about this time, believed to be April 12, 1974, NAGI complained that he was suffering from leukemia. Shortly thereafter, Mr. GOLDSTEIN contacted Dr. NICHOLAS LEONIA, who is associated with the Long Island College Hospital, and learned from Dr. LEONIA that NAGI was being treated by him for the disease leukemia. He recalled further that NAGI, subsequent to his arrest on or about March 27, 1974, was concerned that his parole might be revoked.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 21, 1975

Detective PHILIP SHEVLIN, Sixth Precinct, Investigation Division, New York City Police Department, advised that in 1974, he was a detective assigned to the above Precinct. In February, 1974, he was assigned an investigation involving an art theft that had occurred in the Greenwich Village Section of Manhattan, New York. As a result of his investigation, SHEVLIN stated, he recovered approximately \$150,000 worth of stolen art and arrested, among others JAMES A. NAGI. After having taken NAGI into custody, SHEVLIN stated, he was told by NAGI that he, NAGI, had been an informant for the FBI and that he had furnished the FBI with information on hijacking cases. NAGI offered to furnish good information to Detective SHEVLIN if SHEVLIN would inform the Brooklyn District Attorney's Office about his cooperation.

In early June, 1974, SHEVLIN said he received a call from NAGI who told him that he, NAGI, and several others were going to rob a prominent politician. NAGI told him that they had guns and badges for this job and that they were going to have the assistance of two crooked policemen on this particular robbery. Later SHEVLIN learned that the two policemen were undercover policemen working for the NADJART Commission and NAGI was actually arrested for his role in the robbery.

SHEVLIN advised that he talked to NAGI for quite sometime and intended to use him further as an informant. At no time during his conversations SHEVLIN advised did NAGI ever tell him that he was paying off police officers or members of the Federal Law Enforcement establishment. The only mention of Federal Law Enforcement Office that NAGI ever made, according to SHEVLIN, was his statement that he was and had been furnishing good hijacking information to the FBI in New York.

Interviewed on 5/21/75 at W New York, New York File # NY 58-1854
 SA KLAUS C. ROHR/mgh Date dictated 5/21/75
 by _____

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

Mr. MICHAEL F. IOVINE, 142 Luquer Street, Brooklyn, New York, telephone 875-0153, was interviewed at his residence. Mr. IOVINE advised that he is currently unemployed but that he is a member of Local 46, Wire and Reinforced Concrete Setters Union, AFL-CIO. Mr. IOVINE stated that he has known JAMES NAGI, who once lived next to him on Luquer Street, since 1970. Since that time, he advised, he and NAGI have spent a good deal of time in each others company, even to the point of having been in jail together.

On June 14, 1974, IOVINE stated he and NAGI had gone to the apartment of BOBBY MARTIN, at 427 Lloyd Street, Brooklyn, New York in order to visit with MARTIN. According to IOVINE, there were several other people in the apartment, most of whom he did not know. While he was in the apartment, officers working for the Special Prosecutor MAURICE NADJARI entered the premises with an arrest warrant for MARTIN. As far as he recalled, IOVINE stated all of the people in the apartment, including himself and NAGI, were arrested and taken to NADJARI's office. NADJARI's people, he stated kept them there for 14 hours during which time NAGI was questioned frequently. Prior to getting out of the custody of NADJARI's office, IOVINE advised NAGI had told him not to worry about this arrest because he's going to be able to get them both out.

IOVINE stated he did not know what NAGI had done to get them out of jail but stated it was his opinion that NAGI probably agreed to help NADJARI's investigators. IOVINE went further to say that it was known to him and his associates that NAGI had in the past been an informer for various law enforcement agencies. IOVINE also stated that NAGI was prone to brag about his connections but that he never bragged about having a connection or friend within the FBI or any other branch of the Federal Law Enforcement.

IOVINE advised he recalls that NAGI had told him that he and ANTHONY TONANI were arrested in New Jersey for hijacking some time in 1970. As far as he could recall, IOVINE said this arrest did not particularly disturb NAGI and he did not act at all worried about the disposition, if any, of this case. The only case, according to IOVINE, that NAGI worried about was an arrest for using

Interviewed on 5/9/75 at Brooklyn, N. Y. File # 58-1854

Special Agent KLAUS C. ROHR and
Supervisor J. ROBERT PEARCE Date dictated 5/12/75

KCR:DJG

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a fraudulent credit card in 1974. In this case, he said NAGI was identified by at least one of the victims and he was very worried about being convicted in that case.

IOVINE also advised that he is familiar with two of NAGI's associates, WILLIAM CUTOLO and GEORGE TROPIANO. NAGI would usually meet with CUTOLO and TROPIANO at the Burger Prince located at 65th Street and 8th Avenue, Brooklyn, New York. IOVINE also stated that he was never allowed to go into this place.

Mr. IOVINE again was asked if he had ever been told by NAGI that he knew someone within the FBI or any other branch of Federal Law Enforcement, who was going to assist him in any of his problems with the law. IOVINE answered that at no time did NAGI ever refer to any individual who might be a member of the FBI or Federal Law Enforcement in general. IOVINE was also asked if he had ever heard of or been associated with a New York City Police Officer named EUGENE STATILE. IOVINE stated he never heard of or been an associate with STATILE.

Mr. IOVINE stated that when he was arrested in 1974, at the apartment of BOBBY MARTIN, he was aware of the fact that the police officers seized a number of guns, as well as New York P.D. and Security Police type badges. As far as he could recall Mr. IOVINE stated there were no FBI Badges in the apartment, nor had he ever seen any FBI badges in MARTIN's possession. As to BOBBY MARTIN, IOVINE stated he is currently incarcerated at the Atlantic Avenue Jail in Brooklyn.

IOVINE also stated he had been introduced to a man named PETE or BILL SOWERS by NAGI. However, their introduction and association was limited and he, IOVINE, never got to know SOWERS very well.

Mr. IOVINE advised that during the time that he knew NAGI he was married to a woman named LINDA NAGI, who resided next door to him on Luquer Street, Brooklyn, New York. In addition, NAGI spent a good deal of time with a girlfriend named SUSAN FRIEDMAN, who resides at Sheepshead Bay, Brooklyn, N. Y., telephone 648-5292. He also advised that NAGI was extremely close to a sister RESA, who resides at 108th and Flatlands Avenue, Brooklyn, N. Y. According to IOVINE, NAGI spent a good bit of time with these two women and most likely would have confided in them.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/16/75

NICHOLAS M. CAPUTO advised he resides at 88-85 19th Avenue, Brooklyn, New York, with his father and has recently become the owner of a dairy products store, known as Milk and Honey Farms, 4th Avenue and 92nd Street, Brooklyn, N. Y. Prior to this, CAPUTO was delivering pies in the Wall Street area of Manhattan in 1973 and 1974 for the Mrs. Smith's Pies Corporation. He said he did not work during 1971 and 1972 due to ill health associated with Hepatitis.

CAPUTO stated he was born on June 12, 1938 in New York City, and he furnished the following information relating to his association with JAMES NAGI and others:

CAPUTO knew JAMES NAGI for many years inasmuch as they had grown up in the same neighborhood in Brooklyn. He was called before the Kings County Grand Jury in relation to the murder of NAGI, which occurred in June 1974, but was unable to identify any of the individuals allegedly associated with JAMES NAGI. CAPUTO stated that he has no recollection of any individuals named GEORGE TROPIANO, PETE SOWERS or WILLIAM CUTOLO but advised he might recognize them if he were to see a photo of them. He denied frequenting the Burger Prince Restaurant in the recent past and stated he had only been in the establishment two or three times and not at any time in the last year or year and one-half.

He related that he recently learned of the indictment of individuals named TROPIANO and CUTOLO for the murder of JAMES NAGI but does not recall ever having heard of them. CAPUTO did occasionally speak to JAMES NAGI in the past several years but had no social or criminal contact with him and claims to have actually disliked NAGI since he felt that NAGI was continually attempting to encourage associates to become involved in criminal activities.

Numerous times during the interview CAPUTO emphatically denied knowing SOWERS, TROPIANO or CUTOLO and stated he has never been involved in criminal activities and avoids any association with individuals who are known or considered to be hoodlums. He did state that in 1956 or 1957, he was charged with rape at the age of 18 but the charge was subsequently dismissed. He related when NAGI was killed, he did attend the wake for NAGI but only because he had known him for years and not

Interviewed on 5/14/75 at Brooklyn, N.Y. File # 58-1854

Supervisors Richard F. Keefe
and Donald E. Hartnett

by _____ Date dictated 5/16/75

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because of any close association between them.

CAPUTO was queried as to whether he would agree to submitting to a polygraph examination but emphatically replied that under no consideration would he subject himself to a polygraph examination. He stated that he had read enough about polygraph examinations to know that the facts can be twisted in such a fashion that an innocent individual can become suspect in matters of which he was not actually involved. Additionally, CAPUTO confided that everything he had discussed during this interview was in agreement with testimony he had provided to the Kings County Grand Jury during the inquiry into the murder of JAMES NAGI. He emphasized that during the limited contacts he had with NAGI, no reference was ever made by NAGI to NAGI having a source in any law enforcement agency who gave him access to confidential police information.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/21/75

NICHOLAS CAPUTO, 8885 19th Avenue, Brooklyn, New York, was questioned regarding his alleged acquaintanceship with GEORGE TROPIANO, BILLY CUTOLO and PETE SOWERS. He repeatedly denied being acquainted with any of these three individuals, stating that if he did know them he had no reason to deny it. A photograph of GEORGE TROPIANO was exhibited to CAPUTO and he again denied knowing the name or recognizing the individual. It was explained to CAPUTO that a number of individuals have stated he is acquainted with the above three individuals but CAPUTO stated this is not true and he cannot imagine why anyone would make such an allegation.

Interviewed on 5/20/75 at Brooklyn, N. Y. File # 58-1854

Supervisors Richard F. Keefe
and Donald E. Hartnett by
by RFK:DJG Date dictated 5/21/75

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INVESTIGATION CONDUCTED TO DETERMINE
WHETHER OR NOT (SPECIAL AGENT JOSEPH
STABILE) WAS INVOLVED IN ANY MANNER
WHATSOEVER WITH REGARDS TO FBI CASE
"PHILLIP LEVINE; JAMES AHMAD NAGI AND
OTHERS; THEFT FROM INTERSTATE SHIPMENT;
ARMED HIJACKING, KIDNAPING" OR NEW
JERSEY STATE INVESTIGATIONS RELATING
TO THIS FBI CASE

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

Detective JOHN M. TOMASZEWSKI, Jersey City, N. J., Police Department, was interviewed at the 2nd Precinct, Jersey City Police Department. TOMASZEWSKI advised that he was currently assigned to the Homicide Unit but that in 1970, he was working as a detective in the 2nd Precinct. When asked if he recalled a hijacking case involving JAMES NAGI arrested by Jersey City Police in 1970, TOMASZEWSKI stated that he vaguely could recall such a case. TOMASZEWSKI then reviewed the arrest record of his department and located a file number for this arrest, which took place August 31, 1970. The Jersey City Police-Department file number for this case is 121437. TOMASZEWSKI advised that he would obtain the complete file and refresh his memory with that file and then make a copy of it available to the FBI.

Interviewed on 5/7/75 at Jersey City, N. J. File # 58-1854

SA KLAUS C. ROHR and
Supervisor J. ROBERT PEARCE *MR* Date dictated 5/12/75

KCR:DJG

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

Mr. EDWARD B. ROSSITER, Deputy Chief, Hudson County Prosecutor's Office, made available a copy of the Hudson County Prosecutor's file #70-1528, State of New Jersey vs. JAMES A. NAGI, ANTHONY PETER TONANI. A review of this file fails to reflect any mention of FBI contact with anybody in regard to either NAGI or TONANI. The only reference to the FBI in the file is the notation made on August 31, 1970, that FBI Agent Charles Vaughan assisted in the interview of JAMES NAGI and ANTHONY TONANI. Also on that same date, there is a notation that FBI Agent Clark of the Newark Office was notified as to the arrest of NAGI and TONANI by officers of the Jersey City Police Department.

Interviewed on 5/7/75 at Jersey City, N.J. File # 58-1854
by SA KLAUS C. ROHR and
Supervisor J. ROBERT PEARCE ^{KCR} Date dictated 5/12/75
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

Mr. EDWARD D. ROSSITER, Deputy Chief, Hudson County Prosecutor's Office, made available Hudson County Prosecutor's Office File 70-1528, State of New Jersey vs. JAMES A. NAGI and ANTHONY P. TONANI. The file reflects NAGI and TONANI were arrested August 31, 1970, by officers of the Jersey City Police Department and were then charged with armed robbery, assault, kidnapping, threatening life, receiving stolen goods and possession of a deadly weapon. The file further reflects that no action was taken in this matter until 3/5/75 when the case was presented to a Hudson County Grand Jury and an indictment was returned charging NAGI and TONANI with violating the above Statutes. On 4/3/75, TONANI entered a plea of not guilty to the charges.

Mr. ROSSITER advised that he is not familiar with the case and advised the delay between arrest and indictment is somewhat irregular. He did state that it appears to him as though someone had pulled the file out of the mainstream of the administrative handling and it was not until recently that the file had been located again. He stated he could not explain the reason for this action. He did, however, say that as far as he knows neither NAGI nor TONANI were ever used as informants by the Hudson County Prosecutor's Office. He further advised that he does not recall any member of the FBI inquiring about NAGI or TONANI. He did state he has not been in the Hudson County Prosecutor's Office for too long and that it would be better to contact the First Assistant Prosecutor, Mr. MEGILL, who had been with the office about seven or eight years.

Interviewed on 5/7/75 at Jersey City, N. J. File # 58-1854

by SA KLAUS C. ROHR *MR* & SUPERVISOR J. ROBERT PEARCE *RP* Date dictated 5/12/75

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

Mr. EDWARD C. MEGILL, First Assistant Prosecutor, Hudson County Prosecutor's Office, advised that he has been with the Prosecutor's Office for the past seven years. During that time he has always served as one of the prosecuting attorneys. Mr. MEGILL then reviewed the Hudson County Prosecutor's file on the case of the State of New Jersey vs. JAMES A. NAGI and ANTHONY P. TONANI. After reviewing the file, Mr. MEGILL stated that this case was not familiar to him and that he was surprised at the length of time between the arrest in 1970 and the indictment in 1975. Mr. MEGILL stated that this is unusual because the Statute of Limitations had almost run in this case. Mr. MEGILL stated that he was unable to explain this delay other than to say that the file had been pulled from their mainstream administrative handling for some reason, which was not noted in the file. The only reason he could think of, Mr. MEGILL advised, was that one of the individuals charged, either NAGI or TONANI, might have been cooperating with some law enforcement agency and, therefore, charges against them were held in abeyance. From the file alone, however, he could not determine this with any amount of certainty. He further advised that the only two people in the prosecutor's office that might have some knowledge as to whether TONANI or NAGI gave information would be THOMAS ST. PIERRE and MARTIN GREENBERG, who are now working for other law enforcement agencies.

Interviewed on 5/7/75 at Jersey City File # 58-1854
by Special Agent KLAUS C. ROHR and
Supervisor J. ROBERT PEARCE Date dictated 5/12/75

KCR:DJG

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/9/75

On May 8, 1975, Field Supervisor JOHN A. LELWICA telephonically communicated with Major WILLIAM BAUM, Chief of the Criminal Division, New Jersey State Police, Trenton, New Jersey. Major BAUM was supplied with the name of JAMES AHMAD NAGI, white, male, born December 1, 1949 at Brooklyn, New York, Jersey City, New Jersey, Police Department Number 32899; FBI Number 534276 F, and asked whether or not this person had ever been operated in an informant capacity by any officer in the New Jersey State Police.

After consulting with his record bureau and interviewing the officers involved in the criminal investigation of JAMES AHMAD NAGI in 1970, Major BAUM stated that NAGI never served in an informant capacity with the New Jersey State Police. Major BAUM identified the two officers involved in this investigation by the State Police in 1970 as one A. BUCHANAN, who is a detective assigned to the Turnpike Patrol of the New Jersey State Police and is stationed at the Newark Barracks, and HENRY WALKOWSKI, who works the Organized Crime Section out of the Little Falls Barracks of the New Jersey State Police.

Major BAUM added that although prosecution is still pending in the matter, the entire case is now being handled by the locals, that is the Hudson County Prosecutor's Office. Major BAUM indicated he would make either of the above described officers available for interview at any time desired.

Interviewed on 5/8/75 at Newark, New Jersey File # Newark

by Field Supervisor JOHN A. LELWICA / mjk Date dictated 5/9/75

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FEDERAL BUREAU OF INVESTIGATION

5/12/75

Date of transcription

Detective JOHN M. TOMASZEWSKI, Homicide Unit, Jersey City Police Department, furnished a copy of Jersey City Police Department file #121437, reflecting the arrest of JAMES NAGI and ANTHONY TONANI on 8/31/70. Detective TOMASZEWSKI advised that since reviewing this file, he has been able to recall this particular case, which he investigated while a detective in the 2nd Precinct. He stated that the investigation in this case was conducted with a Newark FBI Agent named CHARLES VAUGHAN, who regularly worked hijacking cases in Jersey City, N. J. Other than this agent, TOMASZEWSKI advised he did not recall ever speaking to any other FBI Agent regarding this particular case.

TOMASZEWSKI advised that both NAGI and TONANI confessed to the hijacking and furnished additional information about other hijackings after their arrest; however, neither NAGI nor TONANI ever acted as informants for the Jersey City Police Department.

Interviewed on 5/8/75 at Jersey City, N. J. File # 58-1854
by SA KLAUS C. ROHR and
Supervisor J. ROBERT PEARCE Date dictated 5/12/75
KCR:DJG

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

On 5/9/75, I reviewed the file captioned, PHILLIP LEVINE, JAMES AHMAD NAGI et al; TFIS, Armed Hijacking, Kidnaping, Newark 15-35089, New York 15-57839. The closed file in Newark showed the case agent was CHARLES VAUGHAN. Further, that Newark had requested that New York be designated as office of origin. This file review was to ascertain if the case was handled in other than routine fashion and specifically if the file indicated (Special Agent JOSEPH STABILE) had indicated any interest in this investigation. There was no indication that this matter had been handled other than in routine fashion. All copies of reports were designated for the New York Office. There was no notation or memorandum indicating any interest in this matter by (Special Agent JOSEPH STABILE).

Interviewed on 5/9/75 at Newark, N. J. File # 58-1854

by Supervisor J. ROBERT PEARCE Date dictated 5/12/75
JRP:DJG

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

Mr. MARTIN GREENBERG, Director of Police, State of New Jersey, Department of Higher Education, Kean State College, Union County, New Jersey, advised that he had been Chief of Detectives for the Hudson County Prosecutor's Office, from September, 1970 to December, 1974. While he was in this position, the Hudson County Prosecutor was GEOFFREY GAULKINS. Mr. GREENBERG advised that he had never heard of an individual named ADMAD or JAMES NAGI arrested in 1970 by the Jersey City Police Department for hijacking and kidnaping. Further, he stated he does not remember his office doing any type of investigation in this matter. He also stated that as far as he can recall nobody by the name of AHMAD or JAMES NAGI ever acted as an informant for the Hudson County Prosecutor's Office, while he was working there.

Mr. GREENBERG advised that normally the local Municipal Magistrates in Hudson County would forward criminal cases to the prosecutor's office where they would be assigned to a prosecuting attorney for an opinion. If the case warranted prosecution it was brought before the Grand Jury for an indictment. He did state that the volume of cases referred to the prosecutor's office is so great that the resulting backlog sometimes caused cases to be delayed for years before being brought to the Grand Jury.

Mr. GREENBERG advised that THOMAS ST. PIERCE joined the prosecutor's office in February 1972 and then quit approximately a year later. GREENBERG advised that ST. PIERRE would have had no reason to deal with the case involving JAMES NAGI since this was not the type of work he handled.

Interviewed on 5/9/75 at Newark, New Jersey File # 58-1854
 by SA KLAUS C. ROHR *KCR* Date dictated 5/12/75
 KCR:DJG

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/16/75

Mr. Thomas V. St. Pierre, Investigator for the U. S. Department of Agriculture, New York Region, advised that he was an investigator at the Hudson County, New Jersey, Prosecutor's Office from October 1971 to May 1973. During this time, he investigated two hijacking cases, among other cases assigned to him. Neither of these cases concerned themselves with a JAMES NAGI or ANTHONY TONANI. St. Pierre advised that he had never heard of either of these persons and is positive that neither TONANI nor NAGI ever acted as informants for the Hudson County, New Jersey, Prosecutor's Office.

Interviewed on 5/16/75 at New Jersey File # 58-1854
by Special Agent Klaus C. Rohr Date dictated 5/16/75

KCR:DJG

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INTERVIEWS OF PERSONS ASSOCIATED WITH
NADJARI COMMISSION INTEREST IN JAMES
NAGI, JUNE 14, 15, 1974

FEDERAL BUREAU OF INVESTIGATION

May 12, 1975

Date of transcription _____

RICHARD A. NACHMAN, Attorney, Manhattan Bureau Chief, Nadjari Commission, was interviewed in his office, #2 World Trade Center, 57th Floor, in the presence of Nadjari Commission Supervisory Investigator JOSEPH TANGEL. Prior to the interview EDWARD HEGARTY and CLARK F. BROWN identified themselves as representatives of the FBI Inspection Division, Washington, D. C.

Mr. NACHMAN was asked if during the Nadjari Commission investigation of New York City Police Officer EUGENE STATILE he had occasion to speak with Mr. STATILE or STATILE's attorney. He replied that Mr. STATILE is awaiting trial on charges of extortion and other related charges concerning STATILE's alleged shakedown of peddlers in Manhattan, New York, and that he has spoken concerning the STATILE prosecution with both the defendant, Mr. STATILE, and his attorney. Mr. NACHMAN was asked if, at any time, Mr. STATILE directly or indirectly or through his attorney said or indicated that he, Mr. STATILE, was in the possession of any information alleging improper or unlawful conduct on the part of any member of any Federal Law Enforcement Agency, including the FBI, and Mr. NACHMAN said no such statements or indications were made to him or to anyone associated with the STATILE investigation by either Mr. STATILE or his, STATILE's, attorney.

Interviewed on 5/8/75 at New York, New York File # NY 58-1854
by INSPECTOR CLARK F. BROWN and
SUPERVISOR EDWARD D. HEGARTY - EDH/meh Date dictated 5/12/75

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FEDERAL BUREAU OF INVESTIGATION

May 12, 1975

Date of transcription

MARK FEDERMAN, Special Assistant Attorney General, State of New York, Nadjari Commission, 57th Floor, #2 World Trade Center, was interviewed in the presence of Nadjari Commission Supervisory Investigator JOSEPH TANGEL. Prior to interview, EDWARD D. HEGARTY and CLARK F. BROWN identified themselves as representatives of the FBI Inspection Division, Washington, D. C.

Mr. FEDERMAN was requested to furnish to the FBI any information he had in his possession regarding statements possibly made by JAMES NAGI alleging improper or unlawful conduct on the part of any member of any Federal Law Enforcement Agency, including the FBI.

Mr. FEDERMAN said he was in charge of the inquiry made concerning one ROBERT MARTIN, who was arrested by New York City Police Department officers under the command of FRANK SMITH, Deputy Inspector, New York City Police Department. Incidental to the arrest of MARTIN, several other persons were held for questioning, including JAMES NAGI. Some of the information which led to MARTIN's arrest was furnished to the New York City Police Department by FBI Special Agent BRUCE BROTMAN who obtained the information from an informant.

Mr. FEDERMAN said that at no time during the period JAMES NAGI was questioned on June 14th and 15, 1974, did Mr. NAGI state or indicate in any way that he had knowledge of improper or unlawful activity on the part of any member of any Federal Law Enforcement Agency, including the FBI.

Mr. FEDERMAN was asked if there were any written reports covering the time NAGI was questioned, including the details of what Mr. NAGI said, and he, Mr. FEDERMAN, replied that there are no such reports in existence and there never have been.

Interviewed on 5/8/75 at New York, New York File # NY 58-1854
 by INSPECTOR CLARK F. BROWN and
SUPERVISOR EDWARD D. HEGARTY - EDH/mgh Date dictated 5/12/75

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FEDERAL BUREAU OF INVESTIGATION

May 12, 1975

Date of transcription

Deputy Inspector FRANK SMITH, New York City Police Department, was interviewed in his office, 12th Floor, 1 Police Plaza, New York, New York, in the presence of Sergeant HENRY FLINTER, New York City Police Department. Prior to the interview, EDWARD D. HEGARTY and CLARK F. BROWN identified themselves as representatives of the FBI Inspection Division, Washington, D. C.

Deputy Inspector SMITH was asked if he had in his possession any address books or miscellaneous written notations, which were removed from or copied from the person of JAMES NAGI during the time he was being questioned by the New York City Police Department and the Nadjari Commission on June 14 and 15, 1974. He turned over for review xerox copies of notations said to have been in an address book and on miscellaneous pieces of paper found on the person of JAMES NAGI. These documents were copied at the time NAGI was questioned. Deputy Inspector SMITH caused a machine copy to be made of his machine copy which he turned over to the FBI for permanent retention.

Deputy Inspector SMITH was asked if he has any knowledge regarding whether or not JAMES NAGI indicated or stated that he, NAGI, had any information alleging improper conduct or unlawful conduct on the part of any employee of any Federal Law Enforcement Agency, including the FBI, and he replied that he has no knowledge either direct or indirect of any such statements or indications made at any time by JAMES NAGI.

He said the New York City Police Department arrested ROBERT MARTIN, date of birth October 21, 1944, NYSI&IS #1613974L, at 427 Lloyd Street, Brooklyn, New York, Top Floor, possibly Apartment #8, on June 14, 1974. On the occasion of MARTIN's arrest, the New York City Police Department unexpectedly encountered MICHAEL IOVINE, 142 Luqueer Street, Brooklyn, New York, date of birth June 27, 1953, and JAMES NAGI. The New York City Police Department believes that on this occasion IOVINE and NAGI were returning to MARTIN's apartment, after having committed an armed robbery. Neither IOVINE nor NAGI has been charged with the armed robbery it is believed they committed on June 14, 1974. NAGI, when interviewed, indicated a willingness to cooperate but he provided no information regarding corruption on the part of any employee of any Federal Law Enforcement Agency, including the FBI.

5/8/75

New York, New York

NY 58-1854

Interviewed on

at

File #

INSPECTOR CLARK F. BROWN and
by SUPERVISOR EDWARD D. HEGARTY - EDH/mgh

5/12/75

Date dictated

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NY 58-1854

Deputy Inspector SMITH further advised that during the search of MARTIN's apartment, a number of law enforcement type badges were found, but none of these were FBI badges. Inspector SMITH stated if he or any of his men ever uncover an FBI badge, they would immediately notify the New York Office of the FBI.

Deputy Inspector SMITH said that some of the information in his files regarding BOBBY MARTIN and MARTIN's associates was furnished to the New York City Police Department by SA BRUCE BROTMAN of the FBI.

FEDERAL BUREAU OF INVESTIGATION

May 12, 1975

Date of transcription

Sergeant HENRY FLINTER, New York City Police Department, was interviewed in the office of his superior, Deputy Inspector FRANK SMITH, New York City Police Department, in the presence of Deputy Inspector SMITH, 12th Floor, 1 Police Plaza, New York, New York. Prior to the interview, EDWARD D. HEGARTY and CLARK F. BROWN identified themselves as representatives of the FBI Inspection Staff, Washington, D. C.

Sergeant FLINTER was asked if at any time on June 14th and 15, 1974, when he, Sergeant FLINTER, was involved in the questioning of JAMES NAGI, he received any indication whatsoever that JAMES NAGI had information indicating improper or unlawful conduct on the part of any member of any Federal Law Enforcement Agency, including the FBI. Sergeant FLINTER replied that he did not receive any such indication nor was he, Sergeant FLINTER, ever told by anyone that NAGI had stated or had indicated he possessed this type of knowledge.

5/8/75

New York, New York

NY 58-1854

Interviewed on 5/8/75 at NY File # NY 58-1854
by INSPECTOR CLARK F. BROWN and
SUPERVISOR EDWARD D. HEGARTY -EDH/mgh Date dictated 5/12/75

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INVESTIGATION CONDUCTED TO DETERMINE
WHETHER OR NOT PAUL DE PALO HAD A
CORRUPT RELATIONSHIP WITH (SPECIAL AGENT
JOSEPH STABILE)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

Mr. RICHARD SHANLEY, Assistant Chief Attorney, Eastern District of New York Strike Force, U. S. Department of Justice, advised that the indices of his office reflect that in October, 1972, a file was opened on the arrest of four individuals for violation of Title 18, U.S. Code, Section 472, 371 and 372, Counterfeiting. The four defendants in this case are listed as VINCENT SINATRA, PAUL DE PALO, JOSEPH VICTOR MELE and CHARLES ZUMO. All of the above defendants were arraigned before U. S. Magistrate CATOGGIO on October 7, 1972. The Special Strike Force Attorney handling this case was DAVID RITCHIE. The case was closed on 3/14/73.

Mr. SHANLEY advised that he has no personal knowledge as to the facts in this case because the case was handled by another attorney, DAVID RITCHIE. He did, however, make available at this time a copy of the entire Strike Force file in this matter.

Mr. SHANLEY advised that as far as further records at the Strike Force reflect, PAUL DE PALO was never used as an informant by the Strike Force. Additionally, he has no information that another individual by the name of AHMAD NAGI also known as JAMES NAGI had ever been an informant of the Brooklyn, New York, Strike Force.

Interviewed on 5/8/75 at Brooklyn, N.Y. File # 58-1854

by SA KLAUS C. ROHR & J. ROBERT PEARCE ^{XLR} Date dictated 5/12/75
KCR:DJG Supervisor

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

A review of the Eastern District of New York Strike Force file in the case of U. S. vs. PAUL DE PALO and JOSEPH VICTOR MELE reflects that there were no notations or written documents relating to any contact between any Strike Force Attorney and (Special Agent JOSEPH STABILE) Federal Bureau of Investigation, New York.

Interviewed on 5/8/75 at Brooklyn, New York File # 58-1854

SA KLAUS C. ROHR &
by KCR SUPERVISOR J. ROBERT PEARCE Date dictated 5/12/75

KCR:DJG
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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

Mr. JOHN DE PALO was interviewed at his home 970 E. 43rd Street, Brooklyn, New York. Mr. DE PALO advised that he is the father of PAUL DE PALO, who resides at 1125 63rd Street, Brooklyn, New York, Apartment A9. Mr. DE PALO stated that his son PAUL lives on 63rd Street with his wife BARBARA, whom he married in September 1974, after his divorce from his first wife YVONNE DE LOUISE. His sons two children, PAUL and ROBERT, currently stay with him, Mr. DE PALO stated.

Mr. DE PALO advised that at the present time he did not know where his son was but that he would relay a message to him and have him call the New York Office of the Federal Bureau of Investigation (FBI). Mr. DE PALO also stated that his telephone number at 970 E. 43rd Street is 252-9369.

Interviewed on 5/8/75 at Brooklyn, New York File # 58-1854by SA KLAUS C. ROHR & SUPERVISOR Date dictated 5/12/75

KCR:DJG J. ROBERT PEARCE

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

Mr. DAVID J. RITCHIE, Attorney for the Eastern District of New York Strike Force, U. S. Department of Justice, advised that he was the attorney assigned to the case entitled, U. S. vs. PAUL DE PALO, JOSEPH VICTOR MELE, in which DE PALO and MELE were charged with violation of Title 18, U. S. Code, Sections 472, 371 and 372. According to RITCHIE, four people were arrested in this case but two of the individuals VINCENT SINATRA and CHARLES ZUMO were actually Secret Service undercover agents. Mr. RITCHIE advised further that the Secret Service Agent handling this case was Special Agent ALBERT P. ANGELONE. The arrest stemmed out of a buy made by ANGELONE and Special Agent LOUIS J. TRAVAGLINO in October, 1972, at the TWA Terminal, JFK Airport, New York. The agents at that time bought almost \$500,000.00 worth of counterfeit currency from DE PALO and MELE.

RITCHIE advised that the U. S. Grand Jury in the Eastern District of New York listened to evidence furnished by the Secret Service Agents in regard to this case on 10/25/72. Subsequently, he stated in a letter dated February 7, 1973, addressed to KURT MUELLENBERG, Deputy Chief, Organized Crime Section, U.S. Department of Justice, he, RITCHIE, recommended that DE PALO and MELE be prosecuted for violation of Title 18, U.S. Code, Sections 472, 371 and 372. Subsequent to sending this letter, RITCHIE stated he was approached by the Secret Service and asked not to pursue this case any further because prosecution of DE PALO and MELE would endanger a very important informant working for the Federal Bureau of Investigation. As a result of this request, which he recalls was made by Secret Service Agent ANGELONE he, RITCHIE, closed the file on 3/14/73, without ever prosecuting DE PALO or MELE.

Mr. RITCHIE advised that early in 1973, he was contacted by two agents of the FBI, who asked if he had any objections to their speaking to Mr. DE PALO in order to obtain information on criminal activities in the New York area from him. RITCHIE advised that he does not recall who the two agents were. He did say he told them to go ahead and talk to DE PALO since it did not appear that the case would be prosecuted. Other than the two agents who requested to speak with DE PALO in 1973, no other representative of the Federal Bureau of Investigation ever contacted him regarding the case on PAUL DE PALO.

Interviewed on 5/8/75 at Brooklyn, N. Y. File # 58-1854

SA KLAUS C. ROHR and
SUPERVISOR J. ROBERT PEARCE
by KCR Date dictated 5/12/75

KCR:DJG

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/75

On May 8, 1975, Mr. Richard Shanley, Assistant Chief Attorney, Eastern District of New York Strike Force, volunteered that he personally would make inquiry among other government agencies to ascertain if AHMAD or JAMES NAGI had been used as a confidential source of information by any other government agency.

On May 12, 1975, Shanley stated that he had ascertained from DEA and IRS that they had no indication that NAGI had been a source of information for their agencies. He was told by U. S. Customs that they could not ascertain from their records if NAGI had been a source of information to their agency. He also volunteered that he had not asked Immigration and Naturalization Service because he did not feel it warranted and did not ask U. S. Secret Service if they used NAGI as a source of information.

Interviewed on 5/8/75 at Brooklyn, N. Y. File # 58-1854

by Supervisor J. Robert Pearce Date dictated 5/12/75

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FEDERAL BUREAU OF INVESTIGATION

5/12/75

Date of transcription

Mr. PAUL DE PALO was interviewed at the home of his parents, 970 East 43rd Street, Brooklyn, New York. Mr. DE PALO advised that his current residence is 1125 63rd Street, Apt. A9, Brooklyn, New York. He further advised that his telephone number at this address is 837-1862. Mr. DE PALO stated he lives at 1125 63rd Street with his wife BARBARA DE PALO, nee CUTOLO. His two children ROBERT and PAUL DE PALO, however, reside with his parents JOHN and TERESA DE PALO. This is due to the fact that his wife BARBARA is emotionally disturbed and not able to handle the children at this time. DE PALO advised that both of the children were from his previous marriage, which had been to YVONNE DE LOUISE. He did not marry his present wife until September, 1974. DE PALO said that he was introduced to his current wife by her brother WILLIAM CUTOLO, whom he has known since 1970 to 1971. At the time that he first met CUTOLO, he said he also met CUTOLO's associate, GEORGE TROPIANO.

At this time SA ROHR told Mr. DE PALO that the purpose of the interview was to determine the extent of his association with CUTOLO and TROPIANO, as well as some information relating to his arrest for possession of counterfeit money in 1972. SA ROHR also told DE PALO that the agents wished to know if either CUTOLO or TROPIANO had a source within the Federal Government law enforcement establishment and, if so, did this source furnish him any information regarding his counterfeiting case.

Before receiving an answer SA ROHR told Mr. DE PALO that he did not have to talk to the agents at this time and that he had a right to remain silent; however, if he did talk to the agents, anything he said could and would be used against him in a court of law. He was also told that he could consult with an attorney of his choice and that if he could not afford an attorney one would be appointed for him, free of charge, by a judge of the U. S. District Court. Mr. DE PALO stated that he has an attorney, Mr. Albert C. Aronne, Suite 1010, 136 Joralemon Street, Brooklyn, New York, telephone IR 5-1903. Mr. DE PALO stated that he would at this time answer as many questions as he could.

Interviewed on 5/9/75 at Brooklyn, New York File # 58-1854
 by SAs KLAUS C. ROHR & J. ROBERT PEARCE ^{WCR} Date dictated 5/12/75
 Supervisor

KCR:DJG

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After his arrest by the Secret Service in October 1972 he, DE PALO, did discuss this arrest with WILLIAM CUTOLO. CUTOLO, however, did not give him any help or advice on the case. It was CUTOLO's sister, BARBARA, who directed him to his present attorney, Mr. ALBERT ARRONE. After he had engaged ARRONE as his attorney, DE PALO stated he dealt only with him on all matters relating to his counterfeit case. DE PALO stated at no time did CUTOLO or his associate GEORGE TROPIANO ever furnish him with any inside information regarding the counterfeit money case. Further, neither CUTOLO nor TROPIANO ever told him or in any way indicated that they had a source within the Federal Law Enforcement Establishment. At this time, SA PEARCE asked Mr. DE PALO that as a supposition, if CUTOLO had a source within Federal Law Enforcement and had told him, DE PALO, about it, would be now furnish this information to the Federal Bureau of Investigation (FBI). Mr. DE PALO advised that he could not be sure if he would furnish such information, but that the whole question and supposition is irrelevant because CUTOLO never told him about any source he had in the Federal Law Enforcement Establishment.

DE PALO advised that when he first met CUTOLO in 1970 or 1971 they were just close social acquaintances but that since he, DE PALO, had married CUTOLO's sister they have become much closer to one another. As to GEORGE TROPIANO, CUTOLO's associate, DE PALO stated he had less contact with him and had seldom ever spoken to him because he described TROPIANO as a very taciturn individual. DE PALO was now asked if he knew a New York City Policeman named STATILE, and he advised that he did not.

DE PALO stated that he met DENIS DILLON, the Government Attorney prosecuting his counterfeit case only once, when he was arrested in October, 1972. Since then he has never again had a meeting with DILLON. DE PALO stated that since his arrest he has had no contact with the U. S. Department of Justice Office prosecuting his case and that any and all contacts there have been handled by his lawyer.

DE PALO stated that his only other contact with Federal law enforcement officials was early in 1973 when two agents of the Federal Bureau of Investigation (FBI) came to see him at his apartment on 63rd Street, Brooklyn, N. Y. The two agents at that time asked if he could furnish the FBI with information on criminal activities in the Brooklyn area. DE PALO stated that he could not furnish such information and the agents never again contacted him. DE PALO also stated that he cannot recall the names of the two agents who contacted him.

DE PALO now furnished the following background on himself:

Name	PAUL DE PALO
Date of Birth	11/16/39
Place of Birth	Brooklyn, N. Y.
Residence	1125 63rd Street, Apt. A9, Brooklyn, N. Y.
Employment	Independent routeman for Fran Tone Cleaners, 72nd Street and Fort Hamilton Parkway, Brooklyn, N. Y. 680-7272
Military Service	U. S. Marine Corps, 1957-59
Education	11½ years, School of Industrial Arts, Manhattan, New York
Wife	BARBARA DE PALO, nee CUTOLO
Former wife	YVONNE DE LOUISE, current address unknown
CHILDREN	ROBERT DE PALO, and PAUL DE PALO, JR.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/16/75

Special Agent Raymond J. Tallia was interviewed at the New York Office of the Federal Bureau of Investigation, 201 East 69th Street, New York, N. Y. 10021. Tallia advised that in October of 1972, a confidential informant told him that two Brooklyn men JOSEPH MELE and PAUL (last name unknown) were in possession of a large quantity of counterfeit \$20 bills for which they were hoping to find a buyer. Special Agent Tallia stated that he disseminated this information to Special Agent Albert Angellone of the Secret Service. Additionally, Tallia said he introduced Angellone to the informant and then arranged for the informant to introduce Angellone to the two men in possession of the counterfeit money. Tallia said that this was his only involvement in this case, which later resulted in the arrest of the two subjects, as well as a recovery of one-half million dollars worth of counterfeit \$20 bills.

Special Agent Tallia advised that prior to introducing Special Agent Angellone to the informant, Angellone had told him that the informant would never be needed to testify in this case and that the Secret Service would make several buys and introduce someone else into the picture in order to completely sever the informant from the case. As best as he can recall, Tallia advised the case against the two subjects in this case has never been prosecuted by the Brooklyn Strike Force because to do so would endanger the identity of the informant.

Interviewed on 5/13/75 at New York File # 58-1854
 by Special Agent Klaus C. Rohr *KCR* Date dictated 5/16/75

KCR:DJG

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/15/75

On May 9, 1975, during interview of PAUL DE PALO by SAs J. ROBERT PEARCE and KLAUS C. ROHR, DE PALO was asked if he would consent to an interview using the Polygraph. He was advised by the interviewing Agents that the Polygraph examination would deal specifically with whether or not he had knowledge of his brother-in-law, BILLY CUTOLO, having an alleged contact in the Federal Government. DE PALO advised that he would consult with his attorney and would furnish an answer at the beginning of the next week. On May 14, 1975 DE PALO attempted to telephonically contact SA ROHR, with negative results. On May 14, 1975, SA ROHR telephonically left a message at both PAUL DE PALO's residence and at the residence of his father, JOHN DE PALO, requesting that PAUL DE PALO contact the New York Office.

On the morning of May 15, 1975 PAUL DE PALO telephonically advised SA PEARCE of the following:

Since the previous interview he has left a message with his attorney to ask his attorney's opinion of DE PALO consenting to a Polygraph examination. His attorney has not returned the call. He said since the previous talk with the Agents on his own without consulting his attorney he had decided against the Polygraph examination. He said his decision was due to the fact that the request in itself was "against the integrity" of DE PALO. He said also that it is a machine, and the results could work against him. He stated that he did not make a hasty decision and had thought it over and had finally made up his mind that he would say "no" on the previous day, May 14, 1975. He said the request in a sense was insulting.

SA PEARCE told him that in the previous interview he had indicated that he was not certain that he would admit whether or not his brother-in-law had a connection in the Federal Government or in the Federal Bureau of Investigation if he knew this to be a fact. Further, that he did not have to make this decision because he, DE PALO, did not know if his brother-in-law had any such connection. SA PEARCE told

Interviewed on 5/15/75 at New York, New York File # NY 58-1854
 by Supervisor J. ROBERT PEARCE Date dictated 5/15/75

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NY 58-1854

DE PALO because of his expressed uncertainty as to whether he would inform on this specific matter if he had knowledge of it created an area of doubt, and it was for this reason that the Polygraph was considered. DE PALO was advised that the Polygraph would in no way jeopardize his case. Further, that his case was not even within the jurisdiction of the Federal Bureau of Investigation as it involved a counterfeit matter. DE PALO said he realized this situation, but was still of the opinion that the Polygraph examination may hurt him, and also he still considered it insulting. He stated that what he had told the Agents previously was "the truth".

DE PALO indicated that he had no free time for the balance of the week, but would consent to an additional interview at the first part of the next week and arrangements could be made by contacting his residence telephonically.

INVESTIGATION CONDUCTED TO DETERMINE
WHETHER OR NOT THERE EXISTED A CORRUPT
ASSOCIATION BETWEEN JOSEPH GENTILE AND
(SPECIAL AGENT JOSEPH STABILE)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 14, 1975

A review of the New York FBI Office case file captioned JOSEPH GENTILE, and others, Illegal Gambling Business, indicates this investigative matter was never assigned to SA JOSEPH STABILE.)

An investigative report dated June 1, 1973, prepared by SA RICHARD A. GENOVA, captioned JOSEPH GENTILE, and others, Illegal Gambling Business, reflects that on May 23, 1973, Special Attorney FRED BARLOW, Strike Force, Eastern District of New York, furnished advice to the FBI to the effect that sealed indictments had been handed down by the Federal Grand Jury sitting in the Eastern District of New York, charging numerous subjects, including JOSEPH GENTILE, with violations of Title 18, Sections 1955, 371 and 2.

Page 9 of SA GENOVA's report, cited above, sets forth information regarding the arrest of JOSEPH GENTILE on May 25, 1973, by SAs JAMES T. MAHER and THOMAS A. VINTON.

A review of evidence maintained with the GENTILE case file reflects that on October 17, 1972, a search warrant, issued in the Eastern District of New York, for the person of JOSEPH GENTILE, was executed by SAs THOMAS A. VINTON and R. LINDLEY DE VECCHIO on October 17, 1972. Among the items seized, pursuant to the authority of the search warrant, was an address book which contains numerous names and telephone numbers. On May 14, 1975, the address book was reviewed by Supervisor HEGARTY and there are no indications that the name (JOSEPH STABILE, STABILE's) residence telephone number, the New York FBI Office published telephone number or the New York FBI Office confidential telephone numbers were contained therein.

Interviewed on 5/14/75 at New York, New York File # NY 58-1854
 by SUPERVISOR EDWARD D. HEGARTY/mgh Date dictated 5/14/75

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FEDERAL BUREAU OF INVESTIGATION

May 15, 1975

Date of transcription

On May 14, 1975, Supervisor EDWARD D. HEGARTY reviewed a transcript of a conversation recorded pursuant to Omnibus Crime Control & Safe Streets Act of 1968 authorized Title III, designated as EDNY 147, for September 19, 1972. A reading of this transcript reflects that the name (JOSEPH STABILE) or any name phonetically similar to (JOSEPH STABILE) does not appear in the transcript. In addition, a duplicate copy of the original tape recording labelled, "EDNY 147, 9/19/72, Reel #1, duplicate" was listened to and the name (JOSEPH STABILE) or any name phonetically similar to (JOSEPH STABILE) is not contained among the magnetic voice recordings of conversations between ERNIE LA PONZINA and JOSEPH GENTILE, also known as JOE LANE.

In addition, a filter copy of the above-described magnetic voice recording tape was listened to and the name (JOSEPH STABILE) or any name bearing phonetic similarity to the name (JOSEPH STABILE) is not contained in the magnetic voice recording.

There is absolutely nothing whatsoever in the transcript above or in the magnetic voice recording tapes, cited above, by which Supervisor HEGARTY could reasonably infer that LA PONZINA or GENTILE are making reference to (SA JOSEPH STABILE) or any other employee of the Federal Bureau of Investigation.

Interviewed on 5/14/75 at New York, New York File # NY 58-1854
 by SUPERVISOR EDWARD D. HEGARTY/mgh Date dictated 5/15/75

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 16, 1975

SA RICHARD A. GENOVA was interviewed on the premises of the FBI Office, 201 East 69th Street, New York, New York. Supervisor HEGARTY was previously known to SA GENOVA as an FBI Supervisor assigned to FBIHQ Staff. SA GENOVA was advised that an allegation had been received indicating the possibility that SA JOSEPH STABILE had an improper relationship with JOSEPH GENTILE, also known as JOE LANE, and possibly was furnishing him information in an unauthorized manner.

In response to specific questions, SA GENOVA advised that he was the case agent of the FBI investigation captioned "JOSEPH GENTILE and others, ILLEGAL GAMBLING BUSINESS", and that he, SA GENOVA, had developed excellent informant sources privy to the activities of JOSEPH GENTILE and others allied with GENTILE's unlawful activities. None of these sources ever furnished SA GENOVA any information whatsoever indicating or suggesting that there was any relationship whatsoever between SA STABILE and JOSEPH GENTILE or any improper relationship whatsoever between JOSEPH GENTILE and any employee of the Federal Bureau of Investigation.

SA GENOVA advised that during the course of his investigation of JOSEPH GENTILE, the following electronic surveillance coverage of GENTILE's activities took place, as indicated by the following schema, and all of this coverage was pursuant to authority of the Omnibus Crime Control & Safe Streets Act of 1968:

<u>EDNY</u>	<u>COURT ORDER</u>	<u>INSTALLATION</u>	<u>TERMINATION</u>
127	5/2/72	5/3/72	5/7/72
128	5/2/72	5/3/72	5/18/72
129	5/2/72	5/5/72	5/18/72
138	7/7/72	7/7/72	7/13/72
139	7/7/72	7/7/72	8/5/72
139	8/31/72	8/31/72	9/6/72
140	7/7/72	7/7/72	8/5/72
141	7/7/72	7/8/72	7/22/72
142	8/31/72	8/31/72	9/12/72
143	8/31/72	8/31/72	9/12/72
144	8/31/72	8/31/72	9/6/72

Interviewed on 5/15/75 at New York, New York File # NY 58-1854
 by SUPERVISOR EDWARD D. HEGARTY/mgh Date dictated 5/15/75

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NY 58-1854 .

<u>EDNY</u>	<u>COURT ORDER</u>	<u>INSTALLATION</u>	<u>TERMINATION</u>
146	9/8/72	9/8/72	9/12/72
147	9/19/72	9/19/72	10/19/72

SA GENOVA said that he reviewed all of the transcripts associated with the above-described electronic surveillance coverage and, in addition, he personally listened to a significantly large sampling of conversations recorded during the course of the above surveillances on magnetic voice recording tape. SA GENOVA reviewed and exhibited to Supervisor HEGARTY administrative records reflecting the assignment of personnel involved in the monitoring of the above electronic surveillances and there was no indication (SA STABILE) was directly involved. He recalled, however, that during the course of some of the above electronic surveillances directed against JOSEPH GENTILE, an unrelated electronic surveillance, EDNY 145, was monitored in the same room, as were the GENTILE case electronic surveillances. EDNY 145 resulted from the FBI's investigation of the case captioned "WORKMEN's MOBILE LUNCH ASSOCIATION, INC.; PHILIP RASTELLI; and others; ANTI-RACKETEERING - HOBBS ACT; RACKETEER INFLUENCED & CORRUPT ORGANIZATIONS, CONSPIRACY", and ran from August 31, 1972, until September 14, 1972. SA GENOVA recalled that (SA STABILE) was present during some of the monitoring connected with the GENTILE case. SA GENOVA exhibited FBI records relating to the monitoring of EDNY 145, which records indicated that (JOSEPH STABILE) was present in the Monitoring Room on September 8th, September 11, 12, and September 13, 1972.

SA GENOVA said that the electronic surveillance coverage in the GENTILE case was highly successful, particularly the microphone coverage afforded GENTILE's residence, in terms of the amount of significant evidence accumulated. As a result of the GENTILE investigation, an indictment was returned on May 23, 1973, which charged JOSEPH GENTILE and numerous other persons with violations of Title 18, United States Code, Sections 1955, 371 and 2.

On January 18, 1974, Attorney-In-Charge DENIS E. DILLON, Eastern District of New York Strike Force, Brooklyn, New York, advised that the indictment returned on May 23, 1973, against all subjects of the GENTILE investigation would be dismissed. The reason for the dismissal, according to Strike Force Attorney DILLON, as narrated by SA GENOVA, was that there was a fatal flaw in the

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handling of the magnetic voice recording tapes obtained during the above-described electronic surveillances. DILLON advised that Strike Force Attorney FRED BARLOW had failed to cause the sealing of the tapes by a United States District Court Judge pursuant to the provisions of Title III, and that the tapes had remained in Strike Force Attorney BARLOW's office for nine months. On January 18, 1974, Attorney-in-Charge DILLON advised that after consultation with the Acting United States Attorney, for the Eastern District of New York, and his Department of Justice superiors, the indictments would be dismissed because the provisions of the Statute had not been complied with.

SA GENOVA said he personally reviewed the physical evidence seized at various times, as a result of investigative activity in the GENTILE case, and that from his review of the material seized, he is confident there are no indications whatsoever of any connection whatsoever between (SA STABILE) and JOSEPH GENTILE.

SA GENOVA said that SA JOSEPH STABILE had absolutely nothing to do with the Strike Force's failure to insure compliance with the provisions of Title III.

INTERVIEWS OF WILLIAM CUTOLO AND HIS
CLOSE ASSOCIATES

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 21, 1975

Mr. ALFRED SALVIDEO was interviewed at his residence, Second Floor, 1274 Tabor Court, Brooklyn, New York. Mr. SALVIDEO advised he is currently very ill and he does not get out of the house very much. He stated his usual routine is to leave his home for a walk about 9:30 in the morning and return by early afternoon in order to rest. He did say that in the past, he had been a close friend of CARMINE CUTOLO, who died about ten years ago. He also stated that he has been a very close friend of GEORGE TROPIANO who was recently arrested for murder. Mr. SALVIDEO went on to say that he was also friendly with CARMINE CUTOLO's son, WILLIAM CUTOLO, but he has not seen either WILLIAM CUTOLO or GEORGE TROPIANO for the past fifteen months. The last time he saw these two individuals was at the Burger Prince Restaurant, 65th Street and Eighth Avenue, Brooklyn, New York.

Mr. SALVIDEO stated that he had never heard either TROPIANO or CUTOLO mention to him or anyone else that they had a contact within the Federal Law Enforcement establishment. SALVIDEO advised that he has been around long enough that if such a conversation did take place, he would walk away, because he learned from experience not to listen to such conversations.

SALVIDEO stated that in the past he had been arrested for bookmaking and operating a numbers office. His last arrest, he stated was approximately five or six years ago when he worked in a Brooklyn numbers office with two other men.

Interviewed on 5/20/75 at Brooklyn, New York File # NY 58-1854
 by SAS KLAUS C. ROHR and FORD W. COLE *fwc* Date dictated 5/21/75
 KCR/mgh

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FBI BUREAU OF INVESTIGATION

May 21, 1975

Date of transcription

Mr. WILLIAM CUTOLO was interviewed at a picnic table sitting under an awning in front of the Burger Prince Restaurant, 6521 Eighth Avenue, Brooklyn, New York. At the outset of the interview, SAS KLAUS C. ROHR and FORD W. COLE identified themselves to CUTOLO by displaying their credentials. Subsequent to this, SA ROHR told Mr. CUTOLO that he wished to interview him regarding CUTOLO's possible connection with some member of the Federal Law Enforcement establishment. SA ROHR also told CUTOLO that this interview had nothing to do with his involvement with local authorities. At this time, SA ROHR furnished CUTOLO with an "Interrogation; Advice of Rights" form and asked him to read same. Mr. CUTOLO read this form and stated that he understood his rights, as set out therein. He advised that he did not want to sign this form, but would answer questions asked of him.

SA ROHR then asked CUTOLO if he had ever told anyone that he had a contact within the Federal Law Enforcement establishment, including the FBI. Mr. CUTOLO advised that he definitely did not have any contact with anyone in the Federal Law Enforcement establishment. SA ROHR then asked CUTOLO if he had ever paid money to any member of the Federal Law Enforcement establishment for information or help in any enterprise in which he, CUTOLO, may have been engaged. CUTOLO again emphatically denied ever having done such a thing. Mr. CUTOLO was next asked if he ever received any information from anyone in Federal Law Enforcement, including the FBI, relating to the arrest of his brother-in-law PAUL DE PALO for possession of counterfeit money in 1972. Mr. CUTOLO answered that he had never received any information from anyone connected with Federal Law Enforcement regarding this case. The only connection he had with the case, CUTOLO stated, was that he assisted DE PALO in obtaining an attorney to represent him in that case. The attorney he recommended, CUTOLO stated, was ALBERT ARRONE, who is currently representing him, CUTOLO.

Mr. CUTOLO advised that questions asked of him by SA ROHR did not come as a surprise because he had been told by his brother-in-law, PAUL DE PALO, as well as his cousin, MARK PALUMBO, that the FBI had been to see them asking similar questions.

It was also noted that PAUL DE PALO was on the premises of Burger Prince working behind the counter at the time of interview.

Interviewed on 5/20/75 at Brooklyn, New York File # NY 58-1854
by SAS KLAUS C. ROHR and FORD W. COLE fwt
KCR/mgh Date dictated 5/21/75

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KCR:mgh

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On May 20, 1975, SAS KLAUS C. ROHR and FORD W. COLE went to the home of WILLIAM CUTOLO at 1584 East 48th Street, Brooklyn, New York. After knocking at the door of this residence, the door was answered by a white female, who identified herself as Mrs. CUTOLO. SA ROHR asked her if her husband, WILLIAM CUTOLO, was home. Mrs. CUTOLO advised that he was not home and she did not know where she could reach him at this time. SA ROHR then left a written message with her requesting that Mr. CUTOLO contact him at the New York Office of the FBI as soon as possible.

At 12:38 p.m., Mr. CUTOLO called the New York Office of the FBI and spoke to SA J. ROBERT PEARCE. At this time, CUTOLO told SA PEARCE that he had received a message to call SA ROHR and if SA ROHR wanted to speak to him, ROHR could contact him at 745-9300, where he would be until 2:00 p.m.

SA PEARCE related this message to SA ROHR and SA ROHR then called CUTOLO at 745-9300. CUTOLO advised that he was presently at the Burger Prince Restaurant, 6521 Eighth Avenue, Brooklyn, New York, and that he would be glad to talk to Agent ROHR and would wait for him at the Burger Prince.

FEDERAL BUREAU OF INVESTIGATION

5/16/75
Date of transcription

JOSEPH SANDBERG, age 70, Apartment 15, 35 Seacoast Terrace, Brooklyn, New York, advised he is part owner of the Burger Prince Restaurant, 66th Street and 8th Avenue, Brooklyn, New York, and furnished the following information:

SANDBERG has owned the Burger Prince Restaurant for twenty years, originally in partnership with CARMINE CUTOLO. CARMINE CUTOLO died approximately three years ago and his interest in the restaurant was inherited by CARMINE CUTOLO's son WILLIAM CUTOLO. WILLIAM CUTOLO actually works at the restaurant each day with SANDBERG and has frequented the place often for a number of years prior to the time of his father's death.

Over the past few years SANDBERG has observed that WILLIAM CUTOLO was very closely associated with GEORGE TROPIANO, JIMMY NAGI and an individual named PETE, who occasionally drives a taxi. SANDBERG believes that this individual is identical with PETE SOWERS. SANDBERG referred to all of these individuals as being "bad guys" but stated he has no information as to any criminal activities they may have been engaged in although he is aware that TROPIANO and WILLIAM CUTOLO have recently been indicted for the murder of JIMMY NAGI, which occurred in June, 1974.

SANDBERG stated that he testified before a County Grand Jury in Kings County regarding the alleged murder of JIMMY NAGI by TROPIANO and CUTOLO and was only able to state that a day or two before NAGI's body was discovered, SANDBERG had departed from the Burger Prince and when he returned the following day, determined that the glass in the front door had been smashed through and there was indication that this possibly related to the incident involving the killing of NAGI.

He reiterated a number of times that the above-named individuals never confided in him and were particularly careful to avoid saying anything within earshot that might relate to criminal activities. He did advise that ANTHONY VILLEROEL was a teen-aged youngster, who hung out in the Burger Prince and also worked there at times. He said this individual was acquainted with all of the above individuals but never discussed any of his possible criminal activities with SANDBERG, although SANDBERG is

Interviewed on 5/14/75 at Brooklyn, N. Y. File # 58-1854

Supervisors RICHARD F. KEEFE
by and DONALD E. HARTNETT Date dictated 5/16/75

RFK:DJG

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now aware that VILLEROEL is incarcerated in a New York State Prison. SANDBERG stated that at no time did he hear it stated or implied by any of the above-mentioned individuals that they had any contacts within any law enforcement agencies, whereby they could obtain confidential police information.

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INTERVIEW OF GEORGE TROPIANO, ALLEGED
CORRUPT ASSOCIATE OF SPECIAL AGENT
JOSEPH STABILE)

FEDERAL BUREAU OF INVESTIGATION

May 21, 1975

Date of transcription

Mr. MARK A. PALUMBO was interviewed on the patio at the rear of his residence, 176 Auburn Avenue, Staten Island, New York. Mr. PALUMBO advised that he is the son-in-law of GEORGE TROPIANO and that he has been married to Mr. TROPIANO's daughter CAROL for fifteen years. Mr. PALUMBO also stated that during this time he has visited an establishment known as the Burger Prince in Brooklyn, New York, on several occasions, and has talked to both his father-in-law GEORGE TROPIANO and one of his father-in-law's associates; WILLIAM CUTOLO. During all conversations he has had with his father-in-law, Mr. TROPIANO, as well as Mr. CUTOLO, he advised that neither one ever told him that they had a connection in Federal Law Enforcement. As a matter of fact, PALUMBO stated, neither man talked much about their business and they never mentioned any connection that they might have with any person involved in law enforcement, either local or federal.

Mr. PALUMBO advised that he is currently part owner of the Fireplace Store, 2655 Richmond Avenue, Staten Island, New York. He advised that this store sells fireplace accessories. Prior to operating a fireplace store, which he has done for at least four years, he was employed as a sales representative for RCA Global Communications. Mr. PALUMBO stated that he held this position for thirteen years. PALUMBO also advised that he has never resided in Brooklyn, New York, and that he is originally from New Jersey.

At the time of interview, Mr. PALUMBO's wife CAROL was also present. Mrs. PALUMBO advised that her father had been a gambler all his life and he had never told her that he had any connection or source in any branch of law enforcement.

5/19/75

Staten Island, New York

NY 58-1854

Interviewed on

File #

pfr

by SAS KLAUS C. ROHR and RICHARD E. KEEFE
KCR/mgh

5/21/75

Date dictated

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Date of transcription 5/21/75

GEORGE TROPIANO, 8 Tuttle Street, Staten Island, New York, was read an Advice of Rights form but declined to sign this form. However, he stated he had no objection to being interviewed.

TROPIANO stated he was acquainted with BILLY CUTOLO and PETE SOWERS, however, he stated he was not well acquainted with JIMMY NAGI and personally disliked this individual. TROPIANO related that he did occasionally frequent the Burger Prince Restaurant, 66th Street and 8th Avenue, Brooklyn, N. Y., where he associated with the above-named individuals.

TROPIANO related that although he frequently met and spoke with CUTOLO and SOWERS he was certain that neither of these individuals nor any of their associates, who were occasionally present during conversations, ever made any direct or implied reference to having "a connection" with any Federal law enforcement officer, which allowed for the obtaining of confidential information. He emphatically stated on several occasions that he has never heard of such "a connection" being referred to by any individuals with whom he has associated. TROPIANO also stated that he never heard any of the above individuals or their associates make any reference to having made a pay-off to any Federal law enforcement officer for information or assistance.

TROPIANO advised he has never seen any of the above individuals in possession of a list of vehicles used by law enforcement officers, nor has he ever heard any of these individuals discuss having access to any such information. He also denied ever hearing any discussion or reference to an attempt by any of the above individuals or their associates to obtain radio crystals to arrange for monitoring of radio frequencies utilized by any law enforcement agency.

Interviewed on 5/20/75 at Staten Island, N. Y. File # 58-1854

Supervisors Richard F. Keefe
and Donald E. Hartnett
by) Date dictated 5/21/75

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INTERVIEW OF CHARLES PANARELLA,
AN ALLEGED CORRUPT ASSOCIATE OF
(SPECIAL AGENT JOSEPH STABILE)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/21/75

CHARLES PANARELLA, who is also known as "The Moose", was contacted in a coffee shack at Gate 4 of the Castagna Construction Company, Richmond Terrace, Staten Island, New York, but refused to be interviewed, stating that should we have any questions to ask of him they should be directed to his lawyer. He refused to have any further conversation and the interview was terminated.

Interviewed on 5/20/75 at Staten Island, N.Y. File # 58-1854

Supervisors Richard F. Keefe
and Donald E. Hartnett
by _____ Date dictated 5/21/75

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INTERVIEW OF ANTHONY TUZIO, ALSO KNOWN AS
DUTCHY, AN ALLEGED CORRUPT ASSOCIATE OF
(SPECIAL AGENT JOSEPH STABILE.)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 21, 1975

Mr. ANTHONY TUZIO, 1778 79th Street, Brooklyn, New York, was interviewed at his place of business, 6602 14th Avenue, Brooklyn, New York. At the outset of the interview SA KLAUS C. ROHR and SA FORD W. COLE identified themselves as Special Agents of the FBI. SA ROHR told Mr. TUZIO that he had several questions he wished to ask him at this time. Mr. TUZIO told the agents that he is very hard of hearing and that he is afraid to answer questions because he may not understand the questions that were asked of him. SA ROHR then told Mr. TUZIO that he would make the questions as clear as possible. At this time, SA ROHR also furnished Mr. TUZIO with an "Interrogation; Advice of Rights" form and asked him to read same. After having read this form, Mr. TUZIO advised that he understood his rights, as set out in the form, but that he did not want to sign this form. At this time, Mr. TUZIO again stated that he was very hard of hearing and was afraid that any oral questions would confuse him and then asked the agents to submit their questions to him in writing:

Acting on this request, SA ROHR wrote out the following question for Mr. TUZIO:

Did you ever pay any money to any police officer, federal agent or any other member of the federal Government for any information or help from such a person? Mr. TUZIO read the question and then stated emphatically that he had never done any such thing. He also said that in ten years he has spoken to one FBI agent, whose name he could not recall. At the same time he advised that he has been contacted about ten times by local enforcement officers for various reasons. At no time, Mr. TUZIO repeated, did he ever receive any help or information from any law enforcement officers who contacted him.

Mr. TUZIO also told the agents that he was quite ill at this time and that he was experiencing a lot of pain as a result of an automobile accident six months ago.

Subsequent to this conversation, the interview was terminated and the agents left the premises.

Interviewed on 5/20/75 at Brooklyn, New York File # NY 58-1854
by SAs KLAUS C. ROHR and
FORD W. COLE - KCR/mgh Date dictated 5/21/75

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INVESTIGATION CONDUCTED REGARDING
ALLEGED ASSOCIATE OF GUILLERMO SOWERS
KNOWN AS "ROBERT NORDORFF"

138.

EDH:mgh

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NY 58-1854

On March 11, 1975, SA FORD W. COLE was furnished the following information by GUILLERMO SOWERS regarding one "ROBERT NORDORFF":

SOWERS advised that NORDORFF is head of security for all of the Shop-Rite Stores and stated that he was a retired Special Agent of the FBI. While SOWERS was employed by Shop-Rite, NORDORFF advised him that if SOWERS did not pay NORDORFF \$5,000.00, he would have SOWERS fired. SOWERS had lied in his application for employment that he had never been arrested, but he had. NORDORFF found this out, and threatened to have SOWERS fired for this if he did not pay.

Shortly after this, SOWERS was contacted by a CHARLIE (LNU), and "T.T. (LNU)", who advised him that they would kill him if SOWERS did not pay the money to NORDORFF. SOWERS went to TROPIANO and GEORGE TROPIANO, BILL CUTOLO and SOWERS had a "sitdown" in Astoria, Queens, with "CHARLIE" and "T.T.". TROPIANO advised these two individuals that SOWERS worked for him, and got things cleared up. Since that time, SOWERS has determined that NORDORFF was involved in numerous transactions with TROPIANO and is closely associated with organized crime figures.

SOWERS further advised that NORDORFF had advised him that his son was also presently employed by the FBI.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription May 20, 1975

Supervisor JOHN A. LELWICA was telephonically contacted by Supervisor EDWARD D. HEGARTY and was requested to determine through inquiry or some other means whether or not any person named "ROBERT NORDORFF" was employed as a Security Agent, possibly Head Security Agent, by Shop-Rite Supermarkets Executive Offices, telephone 201-462-4700.

Supervisor JOHN CONNORS, Newark Division, subsequently telephonically advised Inspector BROWN and Supervisor HEGARTY that Shop-Rite Supermarkets has in their employ in their Security Department one ROBERT NOTHDUFT, who is said to have a son employed as a Special Agent for the FBI at FBIHQ. NOTHDUFT is said to be employed by Shop-Rite Supermarkets in the Long Island, New York, area.

Interviewed on 5/20/75 at New York, New York File # NY 58-1854
(Telephonic)
by INSPECTOR CLARK F. BROWN and
SUPERVISOR EDWARD D. HEGARTY - EDH/mgh Date dictated 5/20/75

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FEDERAL BUREAU OF INVESTIGATION

May 20, 1975

Date of transcription _____

A review of FBI Headquarters Telephone Directory, dated April 8, 1975, reflects one ROBERT H. NOTHDURFT is employed in the Laboratory Division, Extension 3303, Room 7101.

Interviewed on 5/20/75 at New York, New York File # NY 58-1854
by SUPERVISOR EDWARD D. HEGARTY/mgh Date dictated 5/20/75

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FEDERAL BUREAU OF INVESTIGATION

May 21, 1975

Date of transcription

ROBERT NOTHDURFT, SR. was interviewed in the parking lot at the Shop-Rite Supermarket, 3100 Ocean Avenue, Brooklyn, New York. NOTHDURFT advised that his son was an agent stationed in Washington, D. C., however he was not aware of what his son did. He advised that his son worked in Top Secret work and was extremely close mouthed. He said his son never told him about the nature of his work.

At the outset of the interview, NOTHDURFT volunteered that we probably wanted to talk to him about WILLIAM SOWERS. When asked why, he said because he was the worst apple he knew. He advised that BILL SOWERS had worked for him as Night Manager of a Shop-Rite store, but did not know where he could be found now. He said SOWERS had resided at one time at 175 Webster and at another time somewhere on Newkirk Avenue, both in Brooklyn, New York. He advised that SOWERS had a brother PETE SOWERS and would often use his name. He advised that PETE SOWERS worked in the Bronx in a supermarket, but he did not know where he lived or exactly where he worked. He advised that CHARLIE SPEROZA was an associate of BILL SOWERS and that an attorney by the name of LEONE (phonetic), telephone 544-8484, 125-10 Queens Boulevard, Queens, New York, would know how to get in touch with SPEROZA.

NOTHDURFT advised that when SOWERS worked for him he had stolen \$3,000.00. He said that in an effort to collect \$3,000 for the company he had threatened to have a guy work SOWERS over. He commented "anything for the company - you know". Following this, he said that SOWERS came by with two other people. He described one of them as an older man with wavy grey hair, whom he described as the brains. He described the other as a young man who was cocky. He said that they threatened him if he didn't stop trying to collect the \$3,000.00. Following this confrontation, he said he drove off and had gone only a short distance when he had to stop and he vomited. He said he knew then that they had gotten to him. He never collected the \$3,000.00.

NOTHDURFT advised that he did not know BILLY CUTOLO or GEORGE TROPIANO. He failed to identify a photograph of either CUTOLO or TROPIANO at first, however later on he asked to look at the photo-

5/21/75 Brooklyn, New York NY 58-1854
Interviewed on 5/21/75 at Brooklyn, New York File # NY 58-1854
Inspector CLARK F. BROWN and
Supervisor RICHARD F. KEEFE - CFB/mgh
by 5/22/75 Date dictated 5/22/75

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graph of CUTOLE again, at which time he identified it as the younger of the two people who had come with SOWERS to threaten him. He again reiterated that this was the only time he had ever met CUTOLE.

NOTHDURFT advised that he had never told SOWERS or the two, mentioned above, that he had any connections whatsoever with the FBI. He said however, that when the three of them confronted him they knew his son was in the FBI and that they accused him of being a retired FBI agent. He denied that he had ever indicated to anyone that he could obtain FBI information and, in fact, he could not obtain FBI information. He stated that he was willing to take a polygraph examination concerning this or any other information he had provided.

He advised that he had recently received a telephone call from the police concerning SOWERS being involved in a murder. He did not know the name of the victim or the other subjects involved. He advised the name NAGI meant nothing to him and denied that he knew him.

NOTHDURFT stated that other than his son he did not know any FBI agents and in his work as Chief of Security he did not come in contact with FBI agents. He advised what limited contacts he had with law enforcement were with the officers at the 61st Precinct. He denied knowing anyone by the name of STABILE or having ever heard the name.

NOTHDURFT stated he is aware that some years ago Hill Brothers Stores in Brooklyn, New York, made a deal with some highly placed hoodlums, whereby burglaries of these stores would cease for a specified payoff. NOTHDURFT was not aware of the amount of money these hoodlums received from Hill Brothers Stores, but understands it was a substantial amount. In addition, he advised that Hill Brothers Stores were not burglarized for a five-year period, which he, NOTHDURFT understands was the agreed upon number of years during which time the store would suffer no burglaries.

INVESTIGATION CONDUCTED TO IDENTIFY ONE
STEVE ADAMS

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EDH:mgh

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On May 16, 1975, Supervisor FREDERICK LONERGAN, Albany Division, Federal Bureau of Investigation, caused a check to be made of the New York State Department of Audits, in an effort to determine if New York State has an employee named STEVE ADAMS working in the New York City area. It was determined no one named "ADAMS" is employed by the State of New York in New York City.

Supervisor EDWARD D. HEGARTY caused inquiries to be made through FBIHQ Liaison Personnel of the United States Secret Service, Alcohol Tobacco & Firearms Bureau, United States Customs Service and the Internal Revenue Service, in an effort to determine if any of these four agencies have an employee named STEVE ADAMS in the New York City area. It was determined that none of these agencies have an employee assigned to the New York City area named STEVE ADAMS.

Supervisor Edward D. Hegarty caused a search to be made of FBI Headquarters records in an effort to determine whether or not there is an employee of the New York Office by the name of "ADAMS" and whether or not there has been any FBI employee at New York City by the name of ADAMS since January 1, 1970. FBI Headquarters records reflect that there is currently no employee of the New York Office by the name of ADAMS. Since January 1, 1970 through date of record review April 29, 1975, there were two persons bearing the surname "ADAMS" employed in the New York Division, namely:

JOYCE E. ADAMS:

Miss ADAMS was born January 26, 1952, at Newark, New Jersey. She entered on duty at New York as a clerk-typist July 6, 1970, and was promoted to clerk-stenographer November 28, 1971, at New York. On March 20, 1972, she was transferred from the New York Office to the Newark Office from where she resigned on August 18, 1972. Her reason for leaving was to obtain employment with an employer located closer to her residence. A review of Miss ADAMS personnel records reflects she was a satisfactory employee.

DONALD HALL ADAMS:

Mr. ADAMS was born December 11, 1913, at Johnstown, Pennsylvania, and was graduated from Penn State, State College, Pennsylvania, in 1938. He entered on duty as an FBI employee April 26, 1943, and was assigned to the New York Division on August 9, 1945, where he remained until his retirement on June 30, 1972. A review of his personnel records indicates he was almost exclusively assigned to non-criminal type investigations. There is no indication in his personnel records that he was ever involved in investigations relating to organized crime figures.

MISCELLANEOUS

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The following information is contained on FBI Identification Division Record #524276F, dated May 5, 1975, regarding JAMES NAGI:

<u>Contributor of Fingerprints</u>	<u>Name and Number</u>	<u>Arrested or Received</u>	<u>Charge</u>	<u>Disposition</u>
PD NY NY	James Nagi #B630702	12/19/65	GL & false police report	
PD NY NY	James Ahmed Nagi #630702	2/16/66	GL auto	
PD NY NY	James A. Nagi #630702	3/3/66	GL auto unlic opr	
PD NY NY	James Ahmed Nagi #630702	4/9/66	GL auto	
Crim Crt City of NY NY NY	James Nagi #1172 & 1571 & 2667 Kings	4/28/66	(3) S	
Elmira Rec Center Elmira NY	James Nagi #33236	5/3/66	PL 3 cts 3-0-0 ea. ct. Conc JT: 34 das	
PD NY NY	James Nagi #630702	2/16/70	PL 155.30-5 E F CL PL 165.50 D F Crim post stln prop	
PD Jersey City NJ	James Ahmed Nagi #328991	8/30/70	Poss Dang Weapons (guns)	
SPol Brunswick New Brunswick NJ	James Ahmed Nagi #D0370259-1	8/31/70	rob 2A:141 1 NJS aslt 2A:90 3 NJS kid 2A:118 1 NJS	

<u>Contributor of fingerprints</u>	<u>Name and Number</u>	<u>Arrested or Received</u>	<u>Charge</u>	<u>Disposition</u>
So Jersey City NJ	James Nagi #67819	9/2/70	Robbery kidnapping Aslt.with Dang Weapon Rec Stln Motor Vehicle Carry Firearms, In Motor Veh	
PD NY NY	James Nagi #630702	7/15/75	1. PL 105.10 00 E F O Consp to C Com Hi Jack 2nd 2. PL 160.15 02 B F A Att Rob 1st 3. PL 155.35 00 B F A Att Gr Larc 2nd 4. PL 120.10 01 CFF A Att Fel Asslt P-o-1st Arrest # 1544 68 Pct	
PD NY NY	James Nagi #630702	2/16/72	Warrant	
PD NY NY	James Nagi #630702 SID 11697300	4/15/72	PL 155.35-00 D fel GLA PL 165.00 A mis misapp prop	
PD NY NY	James Nagi #630702 SID 1169730Q	7/30/72	160.15 PL Robb 265.05 PL Poss Weap 155.35 PL JL	
Suffolk Co PD Hauppauge NY	James Ahmed Nagi #30306	7/30/72	robbery 1st degree	
NYC Recp & Class Ctr East Elmhurst NY	James Nagi 773 954	3/21/73	PL	9 mo

<u>Contributor of Fingerprints</u>	<u>Name and Number</u>	<u>Arrested or Received</u>	<u>Charge</u>	<u>Disposition</u>
PD NY NY	James Nagi 630702 SID 1169730Q	12/14/73	PL 165.40 2nd degree crim poss stin credit card PL 155.25 00 PL PL 165.15-01 theft of services	
PD NY NY	James Nagi 630702 SID 1169730Q	12/19/73	1-PL170.10-04- 2nd degree forg Z-PL155.25-00- petit larc	
PD NY NY	James Nagi 630702 SID 1169730Q	3/26/74	PL 165.50 CPSP 1st degree PL 265.05 Loaded Revolver PL 170.70 Altered vin # 2nd degree	
Missing Persons Unit PD NY NY	James Nagi NY 1754 Index 6-581 Compt 116 ME	DECEASED 6/25/74		

FEDERAL BUREAU OF INVESTIGATION

5/14/75

Date of transcription

Records of the Employment Division, New York City Police Department, reflect that Sergeant EUGENE STATILE, during his career in the New York City Police Department, was never assigned to a Brooklyn Command.

All of Sergeant STATILE's assignments were either in the Borough of Manhattan or Staten Island.

Interviewed on 5/12/75 at New York, New York File # NY 58-1854

by SA AUGUST J. MICEK/rm 5/14/75 Date dictated 5/14/75

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(Mount Clipping in Space Below)

Halt of FBI probe denied

WASHINGTON (AP) — A Justice Department official denied a published report Friday night that FBI Director Clarence M. Kelley had tried to stop an investigation into the alleged bribing of an FBI agent by a reputed member of the Mafia.

The Washington Post reported that Kelley twice made unsuccessful attempts to stop the Justice Department probe. The newspaper said the department's investigation had been started after an initial FBI inquiry into the bribe allegation turned up no evidence against New York FBI agent Joseph Stabile.

However, Justice Department spokesman Robert Havel said he had examined official memoranda between Kelley and Justice officials on the case and said: "I just can't interpret them as an attempt by Kelley to try to turn off this investigation."

Havel added that in the exchange of memoranda last December, Kelley said that whatever the FBI might do administratively in the case should have no influence on the subsequent investigation by the Criminal Division of Justice.

The Justice spokesman said Stabile is still with the FBI and currently assigned to the bureau's Boston office.

(Indicate page, name of newspaper, city and state.)

The Journal News
Page 8-A
(Suffern, N.Y.)

Date: Saturday, March 29, 1975
Edition:

Author:

Editor:

Title: "Halt of FBI
Probe Denied"

Character:

or

Classification:

Submitting Office:

Being Investigated



UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

New York, N. Y.
May 22, 1975

John Caputo and others;
Bribery; Perjury

On May 20, 1975, Confidential Informant No. 1, who is a member of the La Cosa Nostra (LCN) Family identified as the Joseph Colombo "family" was questioned regarding any information he might have indicative of corruption on the part of any employee of the Federal Bureau of Investigation (FBI). He advised that he has no specific information whatsoever indicative of bribery activity on the part of any FBI employee.

Confidential Informant No. 2, who had provided information in 1972, which resulted in the arrest of Paul De Palo and others by the U. S. Secret Service on counterfeiting charges, was questioned as to whether he has any information or knowledge indicative of corruption on the part of any FBI employee, on May 19, 1975, and he had none. He did say, however, that George Tropiano has always claimed to have a connection "with the Feds". This source had no additional information regarding Tropiano's claim.

Confidential Informant No. 3, who is not a member of LCN but is a close associate of certain members of the Joseph Colombo LCN "family", was questioned on May 20, 1975, regarding whether or not he has any information or reason to believe that George Tropiano, William Cutolo, Gregory Scarpa, Joseph Gentile, Anthony Tuzio or James Nagi had an improper or corrupt relationship with any member of any Federal law enforcement agency, including FBI, and he advised that he does not.

EXCISES MADE FOR REASONS OF PRIVACY

Confidential Informant No. 4 was interviewed on May 20, 1975, and this informant is a member of the Joseph Colombo LCN "family". He advised that he never heard of any of his associates having a contact with any FBI employee. He said that among La Cosa Nostra members, contacts are not generally disclosed by name. LCN member contacts are known by description as a person who could handle a specific request. This informant stated that if there was a contact with any FBI employee, it would be known only to the boss or underboss in the LCN family. He said that LCN members would spend any amount of money to establish a contact within the FBI but that he never heard that anyone did in fact have an FBI contact. This informant said if there was such a contact he believes he would know of it, if it exists now, or if it existed back in 1972.

Confidential Informant No. 5, a member of the Joseph Colombo "family" LCN was interviewed on May 9, 1975, and again on May 12, 1975, regarding whether or not he has any knowledge or has received any indication that there is a leak in the New York Office of the FBI or elsewhere in the FBI and he said he has no such information or knowledge.

Confidential Informant No. 6, who is not a member of LCN, advised on May 20, 1975, that he spoke with an associate of WILLIAM CUTOLO on May 17, 1975; and that this associate of CUTOLO said, "Billy said he has a guy in the FBI who said he (Billy) is being watched and they have a beeper on his car. The FBI is now on the case." This source said he was not present when Billy allegedly made this statement but he, the confidential informant, believes his associate received this information from Billy Cutolo. This confidential informant said that he never received any indication prior to this one case indicating that anyone had a source within the FBI.



UNITED STATES DEPARTMENT OF JUSTICE

FEDERAL BUREAU OF INVESTIGATION

In Reply, Please Refer to
File No.

New York, New York
May 19, 1975

John Caputo;
Et Al
Bribery; Perjury
New York File 58-1854

On May 14, and May 15, 1975, Guillermo Sowers, who is also known by other names, after voluntarily signing a waiver consenting to a Polygraph examination, was afforded a Polygraph examination in the New York Office by Supervisor J. Robert Pearce, and assisted by Special Agent Klaus C. Rohr.

The purpose of the Polygraph examination of Guillermo Sowers, also known as, was to determine the truthfulness of his statements he had made to the Federal Bureau of Investigation in which allegations were made that Billy Cutolo, George Tropiano and James Nagi, from 1972 until Nagi's murder in 1974, at certain periods of time directly told Sowers or that Sowers was part of a conversation in which these three individuals alleged that they had a connection within the Federal Government. Sowers claimed, among other things, that this alleged contact was paid money in return for information. The contact was called "Joe the Fed, Our Friend; The Fed, Joe Stubs (per Sowers 'like a theatre ticket stub')". That on one occasion Cutolo in Sowers presence in 1972 gave Jimmy Nagi a slip of paper with the name (Joe Stabile) or a similar-sounding name on it as a person who would help Nagi with a case Nagi had at that time in the State of New Jersey. Sowers believed, he stated, that this name was the contact. Another point made by Sowers was that Cutolo, in 1974, had indicated a desire to travel to Connecticut with Sowers as Cutolo was going to visit "Joe the Fed", who was then in Boston, Massachusetts.

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Interpretation of charted responses in the Polygraph examination take into consideration the facts disclosed by Sowers, such as:

1. Sowers has had approximately fifteen Polygraph interviews and has no belief in them.
2. One commercial Polygraph examination of him in connection with employment, according to Sowers, showed he was telling the truth when he lied and showed he was lying when he was telling the truth.
3. Sowers, even though fluent in English, stated he "thinks in Spanish", thereby causing delays in answers, and which in itself registers on the Polygraph chart and makes chart interpretation accordingly more difficult.
4. Sowers at the present time is furnishing information involving alleged murders, including the murder of Jimmy Nagi, and the subject matter at hand creates a situation in which it is difficult to place Sowers under the proper amount of stress.

A complete set of questions, including relevant, irrelevant, control or guilt complex questions, are included as an addendum to this memorandum.

Sowers, in pre and post-Polygraph interviews furnished no additional information. He enlarged on previous information provided the Federal Bureau of Investigation. He indicated he had no present health problems, no high or low blood pressure, no respiration problems, was not on medication and claimed that he was rested.

The first series of questions, May 14, 1975, showed routine nervousness at the beginning of examinations and questions 1 and 2. At the first relevant question, Question #3, "Have you deliberately given the FBI any false information about Joe the Fed, answer No," showed a slight emotional response charted in an increased blood pressure, followed by a relief combined with a change of breathing pattern. It is pointed out that charted reactions at the first relevant question are not unusual but are indicative of stress and not necessarily a response showing deception.

The strongest emotional response in Series I was to Question #7, "During the summer of 1972 did you see Bill Cutolo give Nagi a slip of paper with the name Joe Stabile on it?", answer "Yes".

Additionally, there is an emotional response to an over-all verification question, #10, "Have you lied to at least one question in this test?", answer "No". In the chart interpretation comparison was made to the responses charted to a control question, "Did you ever deliberately frame someone?", answer "No", and to a guilt complex question, Question #9, "Were you in any way involved in the Lopensin murder?", answer "No".

In the control type questions and guilt complex question, emotional responses were less than the pertinent question, #7, and particularly to a lesser degree question, #3.

In an effort to place Sowers at the proper stress level and to chart responses to a known lie, he was requested to choose a number between 3 and 8, and thereafter, in Series 2, when asked to answer No to such questions, i.e., "Did you choose #1; Did you choose #2", etc.

The known lie was recorded at Question #5, and shows changing in breathing pattern, a readily noticeable rise in the Galvanic skin response, with a slight increase in blood pressure, followed by a more routine rhythmic breathing pattern, and less body movement or deep sighs being noticeable.

Immediately at the completion of Series 2, Sowers was advised that the exact same questions asked in Series 1 be repeated in the order they were asked in Series 1.

The charted responses in Series 3 were again of similar severity with the most noticeable being a response to Question #7, dealing with an alleged slip of paper with the name Joe Stabile on it, and to a lesser degree Question #3, directed towards ascertaining if Sowers had deliberately given the Federal Bureau of Investigation false information about "Joe the Fed".

It is the opinion of the Polygraph operator that Sowers has furnished some false information to the Federal Bureau of Investigation (Question #3) and has not told the complete truth in response to Question #7. At this point Sowers was questioned in regards to the emotional responses charted and made the point that he did not know if there was such a person as Joe Stabile. He believed only one-half of what Billy Cutolo told him, reiterated that most of the information he knew came from Cutolo in regards to "Joe the Fed". Sowers continued to maintain that he was being truthful, as to what he had been told personally; but made the point that he had caught Cutolo in several lies. He continued to maintain, however, that he believed some of the information that Cutolo had told him about "Joe the Fed" because of the facts of the situation involved, such as being given a list of automobiles and trucks by description and license numbers allegedly being used by the Federal Bureau of Investigation Agents in 1972.

In Series 4, Question #3, dealing with a list of cars given Sowers by Cutolo shows no emotional responses indicative of deception, nor is there an emotional response to Question #5, dealing with the point whether or not Cutolo, in Sowers presence, gave Nagi instructions to set up an appointment with "Joe Stubs". There is a charted response to control Question #6, "Have you ever committed a crime you have not confessed to?", answer "Yes". There is a greater response to Question #9, "Did you hear Cutolo say he paid \$5,000.00 for good information?", answer "Yes".

It is the opinion of the Polygraph examiner that Sowers has not told the complete truth in regards to this particular point. It is noted, however, the response could possibly be one of confusion as Sowers had told varying accounts of this, and at first indicated that this conversation pertained to another "Fed", possibly named Adams. The point of Adams was cleared up during interview and it is probable that if there was an additional contact named Adams, the contact was with the New York State authorities investigating liquor and cigarette tax matters as Adams allegedly furnished information in regards to these activities.

Question number 7, dealing with the statement that Sowers saw an Emery Air Freight truck on numerous occasions in the vicinity of the Burger Prince, was repeated twice. An Emery Air Freight truck was alleged to be on the list of cars being used by Federal Bureau of Investigation agents in 1972. The responses do not necessarily indicate deception.

Series 5 was at the end of the day and because of the fatigue factor, no interpretation is being made of any of the questions involved. Pertinent points of relevant questions were repeated on May 15, 1975.

There were no significant emotional responses charted in Series 7.

In Series 8 the most reaction was to Question #9, an irrelevant question, "Were you in the Marines?" Answer - "Yes", which indicates that Sowers probably has not told the complete truth about his service in the United States Marines. The possibility exists that the response may have been in connection with activity legal or illegal while Sowers was in the Marines. To the control question, "Have you ever smoked pot in your life?" Answer - "Yes", there is also a significant emotional response. These responses were greater than to any of the relevant questions. There was a slightly severe response to Question #8, answer "No", "Do you believe you will be rewarded for telling the FBI about Joe the Fed?" It was noted that Sowers smiled when being asked this question, and muscular movement of the smile was charted and it is noted in pointing out that the response is probably not one of deception.

Series #9 shows a noticeable response to Question #4, "Did you lie to any of my questions yesterday? Answer - "No". To control Question #5, "Did you ever commit a crime in Florida you have not confessed to?" shows a less severe emotional response. Sowers said the crime was failure to pay alimony.

Series #10 shows no severe emotional responses.

Series #11, almost direct interrogation, was directed towards ascertaining if Sowers was truth telling when he stated that "Joe the Fed" originally was a contact for Joe Gentile, also known as Joe Lane, "Greg" (Gregory Scarpa) and Dutchy, whose complete identity is unknown to Sowers. Additionally, efforts were made to ascertain if Sowers knew any of several other people. There was no strong emotional response indicated to any of the questions. There was, however, beginning at Question #6, chartered reactions caused by Sowers swallowing. There was no conclusion that there was a deceptive answer to any of these questions.

The final series was a repeat of Series #1. There was similar chartered reactions to both Question #3 and Question #7 of this series, which again indicates that Sowers is not telling the complete truth to the Federal Bureau of Investigation and has not told the complete truth in regards to his statement that he has seen the name (Joseph Stabile) or a similar sounding name on a piece of paper in 1972.

In the post-Polygraph interview, Sowers was questioned as to how he could recall a name on a piece of paper in 1972 and had never had the name repeated to him since that date. He said he had a photographic memory. It is indicated that the possibility exists that Sowers did see a name being written on a piece of paper, but is at this date reluctant to change his story and perhaps admit that he cannot recall specifically what the name is on the paper.

The conclusions made by Polygraph examiner are made with limitations and considerations as set forth above.

GUILLERMO SOWERS
NY 58-1854
May 14, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER

SERIES I

1. Is your last name SOWERS. Answer - Yes.
2. Are you called PETE. Answer - Yes.
3. Have you deliberately given the FBI any false information about JOE the FED. Answer - No.
4. Do you drive a car. Answer - Yes.
5. Did anyone ever instruct you to give false information to the FBI. Answer - No.
6. Did you ever deliberately lie to frame someone. Answer - No.
7. During the summer 1972 did you see BILL CUTOLO give NAGI a slip of paper with the name JOE STABILE on it. Ans. Yes.
8. Did you ever do anything you are ashamed of. Answer - Yes.
9. Were you in any way involved in the LOPENSIN murder. Ans. - No.
10. Have you lied to at least one question in this test. Ans. - No.

GUILLERMO SOWERS
NY 58-1854
May 14, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER

SERIES II

1. Did you choose number 1. Answer - No.
2. Did you choose number 2. Answer - No.
3. Did you choose number 3. Answer - No.
4. Did you choose number 4. Answer - No.
5. Did you choose number 5. Answer - No.
6. Did you choose number 6. Answer - No.
7. Did you choose number 7. Answer - No.
8. Did you choose number 8. Answer - No.
9. Did you choose number 9. Answer - No.
10. Are you sitting on number 5. Answer - Yes.

GUILLERMO SOWERS
NY 58-1854
MAY 14, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER

SERIES III

1. Is your last name SOWERS. Answer - Yes.
2. Are you called PETE. Answer - Yes.
3. Have you deliberately given the FBI any false information about JOE the FED. Answer - No.
4. Do you drive a car. Answer - Yes.
5. Did anyone ever instruct you to give false information to the FBI. Answer - No.
6. Did you ever deliberately lie to frame someone. Answer - No.
7. During the summer 1972 did you see BILL CUTOLO give NAGI a slip of paper with the name JOE STABILE on it. Ans. Ye
8. Did you ever do anything you are ashamed of. Answer - Yes.
9. Were you in any way involved in the LOPENSIN murder. Ans. - N
10. Have you lied to at least one question in this test. Ans. - N

GUILLERMO SOWERS
NY. 58-1854
MAY 14, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER

SERIES IV

1. Were you born in Cuba. Answer - Yes.
2. Were you born in January. Answer - Yes.
3. In the summer of 1972 did CUTOLO tell you he got a list of cars from "his friend the Fed." Answer - Yes.
4. Are you married. Answer - No.
5. In 1972 did you hear CUTOLO tell JIMMY NAGI to set up an appointment with "JOE STUBS". Answer - Yes.
6. Have you ever committed a crime you have not confessed. Ans. - Yes.
7. Did you ever see any Emery Air Freight truck at the Burger Prince. Answer - Yes.
8. Did you like to read. Answer - No.
9. Did you hear CUTOLO say he paid JOE the Fed up to \$5,000.00 for good information. Answer - Yes.
10. Did you answer questions in this test truthfully. Ans. - Yes

GUILLERMO SOWERS
NY 58-1854
MAY 14, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER

SERIES V

1. Do you watch TV. Answer - Yes.
2. Are you wearing a blue shirt. Answer - Yes.
3. In 1974 did CUTOLI tell you that JOE the Fed was in Boston. Answer - Yes.
4. Are you also known as BILL. Answer - Yes.
5. Has anyone other than CUTOLI, GEORGE and JAMES NAGI ever told you about "JOE STUBS". Answer - No.
6. Other than your wife, did you ever shoot anyone during the commission of a crime. Answer - No.
7. Did you ever tell us (FBI) a lie about JOE the Fed. Ans. - No.
8. In 1974 did CUTOLI tell you "JOE STUBS" was going to work for WHITEY TROPIANO's men. * Answer - Yes.
9. Did you ever live in Florida. Answer - Yes.
10. Did you answer all the questions in this test truthfully. Answer - Yes.

* Question 8 was admitted. At #3 the question asked was, "Did you answer that last question truthfully."

GUILLERMO SOWERS
NY 58-1854
MAY 14, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER

SERIES VI

1. Are you called PETE. Answer - Yes.
2. Did you ever meet "JOE STUBS". Answer - No.
3. Are your eyes brown. Answer - Yes.
4. Did you ever bribe a cop. Answer - No.
5. Are your shoes black. Answer - Yes.
6. Did the badges you saw have United States Department of Justice on them. Answer - Yes.
7. Did you lie about not recognizing any person in the photographs I showed you today. Answer - No.
8. Are you married. Answer - Yes.
9. Did you lie to any of my questions in this test. Answer - No.

GUILLEMMO SOWERS
NY File 58-1854
MAY 15, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER
SERIES 7

1. Were you born in Cuba. Answer - Yes.
2. Do you live in the USA. Answer - Yes.
3. Did you hear anyone other than CUTOLO say JOE the Fed was in Boston, Massachusetts. Answer - No.
4. Do you like sports. Answer - No.
5. Did you ever read the name (JOE STABILE) in the newspapers. Ans. No.
6. Did you ever pull the trigger during a holdup. Answer - No.
7. From 1971 until today, has anyone told you about reading the name (JOE STABILE) in the newspapers. Answer - No.
8. Are your eyes brown. Answer - Yes.
9. Have you lied to any questions in this test. Answer - No.

GUILLERMO SOWERS
NY File 58-1854
MAY 15, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER

SERIES 8

1. Are your shoes black. Answer - Yes.
2. Are you now in New York City. Answer - Yes.
3. Were you born in Cuba. Answer - Yes.
4. Did NAGI ever tell you he was an informant for the FBI. Answer - No.
5. Is your shirt blue. Answer - Yes.
6. Did you ever meet a friend of GREGORY's called NINO. Ans. - No
7. Have you ever smoked pot in your life. Answer - Yes.
8. Do you believe you will be rewarded for telling the FBI about JOE the Fed. Answer - No.
9. Were you in the Marines. Answer - Yes.
10. Did NAGI ever tell you the name of any FBI Agent he knew. Answer - No.
11. Did you answer all the questions in this test truthfully. Answer - Yes.

GUILIERMO SOWERS
NY File 58-1854
May 15, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER

SERIES 9

1. Do you like TV. Answer - Yes.
2. Are you married. Answer - Yes.
3. Do you speak Spanish. Answer - Yes.
4. Did you lie to any of my questions yesterday. Answer - No.
5. Did you ever commit a crime in Florida you have not confessed to. Answer - Yes.
6. Did NAGI ever tell you he got a list of FBI cars from a cop. Answer - No.
7. Are you in New York. Answer - Yes.
8. Did you ever hear anyone say they wanted to frame an FBI Agent. Answer - No.
9. Is your hair brown. Answer - Yes.
10. Do you know for sure if VILLETOEL knew about JOE the Fed. Answer - No.
11. Have you lied to any questions in this test. Answer - No.

GUILLEMO SOWERS
NY File 58-1854
May 15, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER

SERIES 10

1. Are you in New York. Answer - Yes.
2. Have you ever been in Canada. Answer - No.
3. Did PAUL DE PALO ever tell you he knew about JOE the Fed. Ans. No.
4. Is your shirt blue. Answer - Yes.
5. Did you ever hear VILLEROEL say he knew JOE the Fed. Ans. - No
6. Are you afraid to admit to any crimes you committed while in the Marines. Answer - No.
7. Did ANGELO TONO ever discuss the name JOE STABILE with you. Answer - No.
8. Are your eyes brown. Answer - Yes.
9. Before this week did Detective JACK NULTY ever discuss the name JOE STABILE with you. Answer - No.
10. Did you lie to at least one question in this test. Ans. - No.

GUILLEMO SOWERS
NY File 58-1854
May 15, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER

SERIES 11

1. Did you go to college. Answer - Yes.
2. In the Marines, were you in Camp LeJune. Answer - Yes.
3. Did BILL CUTOLI ever tell you JOE the Fed was a connection for JOE LANE. Answer - Yes.
4. Are you in the USA. Answer - Yes.
5. Did BILL CUTOLI or GEORGE tell you JOE the Fed was a contact of GREG. Answer - Yes.
6. Did you ever steal money from a friend. Answer - Yes.
7. Did BILL CUTOLI tell you JOE the Fed was a contact of DUTCHY. Answer - Yes.
8. Are you in New York. Answer - Yes.
9. Do you know anyone named TONY VILLANO. Answer - No.
10. Do you know anyone in New York named GENE STABILE. Answer - No.
11. Do you know a detective named CARROLL. Answer - No.
12. Do you know anyone named JOSEPH SCHIAFFINA. Answer - No.
13. Do you know anyone named GENE STATILE. Answer - No.

GUILLERMO SOWERS
NY File 58-1854
May 15, 1975

J. ROBERT PEARCE
POLYGRAPH EXAMINER

SERIES 12

Series 12 was a re-run of the identical questions
used in Series 3 on May 14, 1975.

Answers same as Series 1 and Series 2.