FEDERAL BUREAU OF INVESTIGATION

REPORTING OFFICE	OFFICE OF ORIGIN	DATE	INVESTIGATIVE PERIOD
NEW ORLEANS	NEW ORLEANS	4/9/69	10/29/68-3/28/69

TITLE OF CASE

CARLOS MARCELLO, aka

REPORT MADE BY: SA JOHN C. MC CURNIN, II

TYPED: - S m

CHARACTER OF CASE

AR

REFERENCE:

New Orleans report of SA JOHN C. MC CURNIN, II, 11/25/68.

- P -

INFORMANTS:

Identity of Source	Contacting Agent
NO T-3 is NO 1434-C-TE	SA THOMAS L. COLARELLI; SA JACK EVANS MEHL
NO T-9 is NO 1232-C-TE	SA REED W. JENSEN

ACCOMPLISHMENTS CLAIMED						ACQUITTALS	CASE HAS BEEN:
CONVIC.	AUTO.	FUG.	FINES	SAVINGS	RECOVERIES		PENDING OVER ONE YEAR [X] YES [ ] NO PENDING PROSECUTION OVER SIX MONTHS [ ] YES [X] NO

[X] NONE

APPROVED: SPECIAL AGENT IN CHARGE

DO NOT WRITE IN SPACES BELOW

92-2713-516

REC 27

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COPIES MADE:
3 - Bureau (92-2713) (RM)
1 - USA, New Orleans
1 - Departmental Attorney OWEN NEFF, New Orleans
4 - Jackson
1 - Memphis (INFO)
2 - Mobile
2 - Houston
10 - New Orleans (92-36)

Dissemination Record of Attached Report

Agency	CC. AAG, Criminal Division, Organized Crime and Racketeering Section, Room 2544
Request Recd.	
Date Fwd.	
How Fwd.	
By	

Notations: NINE STAT. SECT.

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INFORMANTS (CONTINUED):

Identity of Source	Location of Information
NO T-18 is Detective JERRY WILLIAMSON, Jefferson Parish Sheriff's Office (By Request)	SA JOHN C. MC CURNIN, II
NO T-20 is PCI CAROLYN KAY MORRIS	SA PATRICK J. COLLINS, JR.
NO T-21 is NO 1697-PC	SA JOHN C. MC CURNIN, JR.
NO T-27 is NO 1594-PC	SA TROY H. GIST
NO T-28 is Detective ASHTON CROSSEN, Jefferson Parish Sheriff's Office Intelligence (By Request)	SA JOHN C. MC CURNIN, II
NO T-29 is Captain FRED ROTH, Jefferson Parish Sheriff's Office Intelligence (By Request)	SA JOHN C. MC CURNIN, II
NO T-36 is New Orleans Police Department Detective CHARLES PARKS (By Request)	SA JOHN C. MC CURNIN, II
NO T-38 is PCI JANICE GROSS	SA JAMES W. SMITH
NO T-40 is Former NO 1715-PC	SA THOMAS L. COLARELLI
NO T-41 is NO 1561-PC	SA JOHN C. MC CURNIN, II
NO T-42 is NO 1499-C	SA TROY H. GIST

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INFORMANTS (CONTINUED):

Identity of Source	Location of Information
NO T-43 is SA 775-C-TE	San Antonio Agent
NO T-44 is NO 1712-PC	SA PATRICK J. COLLINS, JR.
NO T-45 is NO 1635-R (PROB)	SA NATHAN O. BROWN
NO T-46 is NO 1435-C-TE	SA THOMAS L. COLARELLI
NO T-47 is DAVE LETTERAL, Jefferson Parish Sheriff's Office Intelligence (By Request)	SA JOHN C. MC CURNIN, II
NO T-48 is Mr. BILL GREEN, Manager, Bourbon Orleans Hotel	SA JAMES W. HARDISON
NO T-49 is NO 1748-PC	SA JAMES W. HARDISON
NO T-50 is Officer BILL BARFIELD, Long Beach, California Police Department Intelligence	Los Angeles Agent
NO T-51 is NO 1487-C	SA JAMES FRANCIS WRIGHT
NO T-52 is NO 1734-PC	SA JOHN C. MC CURNIN, II; SA THOMAS L. COLARELLI
NO T-53 is Mr. HENRY THOELE, Small Business Administration Employee	SA JOHN C. MC CURNIN, II

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LEADS:

HOUSTON

AT HOUSTON, TEXAS. 1) Will report results of indices check and credit check concerning BERNARD GERSZON.

2) Will maintain contact with HO 1293-PC concerning subject.

3) Will, if feasible, interview PHILLIP YAMIN, Pepperoni Pizza Village, and determine if he knows MARCELLO and, if so, to what extent.

JACKSON

AT BILOXI, MISSISSIPPI. Will check with established sources at the Broadwater Beach Hotel re MARCELLO and his relatives visiting this area of Mississippi.

AT GULFPORT, MISSISSIPPI. 1) Will determine if an individual by the name of GUISSIPPI or COSANDRA is known to authorities of that area and if he is associated with MARCELLO.

2) If the identity of such an individual is established, will attempt to determine if he has recently been in Vicksburg, Mississippi for the purpose of establishing prostitution and gambling.

AT VICKSBURG, MISSISSIPPI. 1) Will interview BERNIE BIERMAN and C. W. CAPPAERT, Manager, Magnolia Manufacturing Company, re their association with CARLOS MARCELLO. It being noted that BIERMAN listed as staying with JACK KENT in adjoining room, Bourbom Orleans Hotel, to CARLOS MARCELLO and other New Orleans hoodlums over Mardi Gras period.

2) Will interview JOHN M. KENT, Post Office Box 127, re his association with MARCELLO. Determine if he owns aircraft and if he has ever flown MARCELLO between New Orleans

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and Mississippi. Determine if he is related to DICK KENT, who formerly ran the Speakeasy Lounge, which was a gambling casino located outside Lafayette, Louisiana.

MOBILE

AT MOBILE, ALABAMA. Will interview KENNETH O'DAY, and determine if he is acquainted with CARLOS MARCELLO. Will determine if he received financial help from MARCELLO when purchasing Blue Lake Manor as President of Gulf Coast Technical Institute for $21,000,000.00 at Pascagoula, Mississippi.

Mobile note that PCI WAYNE HOUSER, of unknown reliability, advised MARCELLO, in the past, had made an attempt to take over FHA housing project in Pascagoula, Mississippi.

NEW ORLEANS

AT BATON ROUGE, LOUISIANA. Will do credit and criminal investigation and obtain Dun and Bradstreet report on Bagwell Neal Contractors.

AT COVINGTON, LOUISIANA. 1) Will conduct credit and criminal investigation re LEON POIRIER, 408 East Thomas Street.

2) Will review property records, St. Tammany Parish, to determine if LEON POIRIER or LUCILLE MICELI have purchased or sold property in the parish.

AT DES ALLEMANDS, LOUISIANA. Will conduct credit and criminal investigation re ROOSEVELT DUFRENE, Box 193.

AT DESTREHAN, LOUISIANA. Will conduct credit and criminal investigation re HARRY O. DOLSEN, General Manager, Bunge Corporation.

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NO 1734-PC made available the following information concerning real estate transactions involving MARCELLO and corporations controlled by him.

This information contained in the files of MARCELLO at his office at the Town and Country Motel, Airline Highway, Metairie, Louisiana:

An agreement to purchase 1,785 acres of land, St. Charles Parish, belonging to the Highway Land Company, Inc.;

An agreement to purchase Sections 4, 39, and 40 in Jefferson Parish from the Highway Land Company, Inc., dated 9/1/68, total purchase price for land located in St. Charles and Jefferson Parishes $1,000,000.00.

This agreement signed by JOSEPH C. MARCELLO, the son of CARLOS MARCELLO, President of Gems, Inc., which is owned by MARCELLO.

Contact being maintained with NO 1734-PC re full details of this purchase and particularly for what purpose this land is to be used by MARCELLO.

NO 1734-PC made available contracts of sales of lots located on Lapalco Boulevard, Jefferson Parish, which reflect certain corporations, owned by MARCELLO, have sold the above lots located on Lapalco Boulevard to either members of the MARCELLO family or close associates.

Plot E-6
Vendor - Garnet Lands, Inc. and Emerald Lands, Inc.
212,585 square feet
Sale price - $120,000.00, payable in three annual installments beginning 4/8/69.
Vendee - J. B. C. Company, a business partnership composed of JOSEPH C. MARCELLO, JOSEPH A. MATASSA, and JOE SALADINO;

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Plot E-2-A
Vendor - Garnet Lands, Inc. and Emerald Lands, Inc.
105,842 square feet
Price - $79,395.00, payable in three annual installments beginning 3/21/69
Vendee - ERNEST BARRIOS, husband of JOYCELYN TRACEY;

Plot B-1
Vendor - Gems, Inc., Garnet Lands, Inc. and Sapphire Lands, Inc.
81,800 square feet
Price - $61,425.00, payable in three annual installments beginning 8/18/68
Vendee - JOHN E. BURGA, divorced husband of BEVERLY CLAIRE CARTER;

Plot E-5
Vendor - Garnet Lands, Inc. and Emerald Lands, Inc.
106,295 square feet
Price - $72,746.00, payable in three annual installments beginning 3/1/69
Vendee - EDWARD E. CRUMPLER, husband of SARAH SILVESTRI;

Plots D and E, Tract 9, Section C
Vendor - Sapphire Lands, Inc.
Price - $55,527.75
Vendee - SIMON SHLENKER, III and HERMAN E. FREITAG

NO 1734-PC made available the following information concerning CARLOS MARCELLO and his associates:

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NO 1734-PC telephonically contacted agents late evening of 11/21/68, requesting a recontact on early AM of 11/22/68. Contact made, and NO 1734-PC advised that, after considerable wrestling with his conscience during the night, he had come to the conclusion that he would cooperate without reservation. He stated he would do so only with complete assurances that his identity would never be revealed outside the Bureau. Thereafter, NO 1734-PC furnished the following information:

CARLOS MARCELLO is extremely upset with PHILLIP SMITH because MARCELLO's son, JOSEPH C. MARCELLO, is a possible target of a Federal Grand Jury subpoena for having witnessed the bill of sale between SMITH and CHARLES EVANS, the latter representing himself as LEONARD CUNNING, who was killed in gangland fashion in Kansas City on 10/1/68.

NO 1734-PC stated that MARCELLO has ordered PHILLIP SMITH to sell off real estate investments which would normally be held for long term speculative investments because MARCELLO is in dire need of ready cash. NO 1734-PC stated that PHILLIP SMITH has been associated with MARCELLO since 1950 and, outside the immediate family, is the most trusted confidant MARCELLO has, handling all his real estate transactions and advising him on a daily basis regarding his investments.

NO 1734-PC stated that GIUSEPPE GAGLIANO (former under boss in New Orleans) met with MARCELLO in his office at the motel yesterday for unknown reason. NO 1734-PC advised that FRANK GAGLIANO has approached MARCELLO for money to purchase a home and was turned down by MARCELLO. NO 1734-PC stated MARCELLO offered to lend GAGLIANO the $300 closing costs but no more.

NO 1734-PC stated that an individual, known to him as Dr. FRANK (RAGANO), attorney for SANTO TRAFFICANTE, was in town approximately a month ago and met surreptitiously with MARCELLO

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and other unknown individuals. Dr. FRANK stayed at the Bourbon Orleans while in town. NO 1734-PC stated that MARCELLO ordered him to send to Dr. FRANK on 11/21/68, a package containing the complete deposition given by MARCELLO to Life Magazine recently.

NO 1734-PC advised that the reason for the coolness between JOSEPH PORETTO, suspected LCN member, and MARCELLO is that PORETTO allowed a sewerage bill in excess of $10,000 to accumulate on the Town and Country Restaurant and Lounge, which was billed to the motel. PORETTO refused payment of this bill, and NO 1734-PC advised MARCELLO that, inasmuch as PORETTO's lease option had expired, to put him on a month-to-month rental basis, which was done. Therefore, PORETTO has nothing to sell if he wants to get out of the restaurant, except his fixtures and goodwill.

NO 1734-PC advised that CARLOS MARCELLO can read words in English but has difficulty in putting phrases and sentences together and, therefore, relies entirely on PHILLIP SMITH for direction and guidance. MARCELLO has recently instructed SMITH to tutor JOE C. MARCELLO in the handling of real estate matters, but JOE C. MARCELLO is not overly intelligent and probably, in NO 1734-PC's opinion, will not be able to grasp the intricacies of real estate transactions.

NO 1734-PC advised that JOE C. MARCELLO has PHILLIP SMITH's telephone tapped, as well as JOE C. MARCELLO's wife's telephone tapped. NO 1734-PC advised that BILLY GAUTREAU, former administrative assistant in the Jefferson Parish Coroner's Office, was one of the individuals utilized by MARCELLO to tap telephones. GAUTREAU was recently sentenced to eighteen months in Angola for obtaining funds fraudulently from the Coroner's Office.

NO 1734-PC advised that an individual known to him only as TEX, who is presently incarcerated in a prison in Texas, was another individual utilized by MARCELLO to tap

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phones. NO 1734-PC advised that JOE C. MARCELLO maintains a locked cabinet in his office where he stores tapes from the taped conversations, and NO 1734-PC has heard PHILLIP SMITH's voice on one of these tapes.

NO 1734-PC advised that, whenever CARLOS MARCELLO has to appear in court or any type of hearing, he empties the contents of his wallet and gives it to PHILLIP SMITH to place in an envelope until he returns.

NO 1734-PC advised that MARCELLO is an unscrupulous and vicious-type individual whenever he comes upon information which can be used to blackmail people for his services. He advised that his (MARCELLO's) long-time secretary, DOROTHY CROWDER, could be cited as a typical example, inasmuch as MARCELLO holds the mortgage on her home and the fact that she needs money in order to support her sick mother.

NO 1734-PC advised that JIMMY ARNONE, the night clerk at the Town and Country for the past three years, and his brother, JOE ARNONE, recently discharged from the military and now chauffeuring MARCELLO, are related to MARCELLO on MARCELLO's wife's side of the family.

NO 1734-PC advised that MARCELLO for a long time has suspected a source among his employees at the Town and Country, and NO 1734-PC has assisted him in setting traps to reveal the identity of this source.

NO 1734-PC advised that MARCELLO has many contacts throughout the state and, therefore, NO 1734-PC is extremely concerned regarding his own identity as a source. NO 1734-PC refused to go into specifics because of the circumstances of the contact and the limited time of the contact, but this will be pursued with him in the future among the numerous other aspects of the MARCELLO operation.

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NO 1734-PC was contacted 12/3/68, telephonically, on 12/5/68, personally, and on 12/6/68, telephonically.

On 12/3/68, PC advised that CARLOS MARCELLO met with GIUSEPPE GAGLIANO again and also with ANTHONY CAROLLO. He advised that, because of the "heat" being placed on the Town and Country Motel office complex, MARCELLO was taking the precaution of leaving the area when someone came to talk to him about something important, and he did not wish law enforcement to be aware of their presence.

He noted that, for example, when CAROLLO came to meet him, they left almost immediately in CAROLLO's car, either to drive around or to drive to another location, and he does not know the topic of their discussion. In the case of GAGLIANO, he stayed only a few minutes and departed and left a newspaper for CARLOS MARCELLO to read, which MARCELLO put in his center desk drawer.

NO 1734-PC noted that in the case of the recent meetings between MARCELLO, GAGLIANO, and CAROLLO, it is the first such activity that he has noted since the LaStella Restaurant meeting in 1966. NO 1734-PC advised there is definitely something "in the wind" which is prompting these meetings, but to date he does not know the reason therefor, other than the fact that "Dr." FRANK RAGANO (TRAFFICANTE's attorney) called CARLOS MARCELLO on 12/3/68, and there very probably is a connection between this telephone call and these recent meetings.

On 12/5/68, NO 1734-PC advised that GIUSEPPE GAGLIANO again met with MARCELLO very briefly on the AM of 12/4/68. He further advised that Dr. FRANK had tried to reach MARCELLO today from Miami, but MARCELLO was unavailable, and MARCELLO's secretary advised RAGANO that he would not be back in town until late evening and to place the call tomorrow. NO 1734-PC advised that normally either himself and/or DOROTHY CROWDER

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know MARCELLO's whereabouts at any given moment but that today he left unaccompanied, driving his own personal car, and NO 1734-PC speculates that more than likely he drove to Baton Rouge, Louisiana to see his girl friend, GLORIA DE SANTOS; otherwise, he would have utilized a chauffeur.

NO 1734-PC stated that CARLOS MARCELLO had earlier called CROWDER long distance, place unknown, and informed her that he would be back that evening. NO 1734-PC stated that he overheard MARCELLO tell his brother, JOSEPH, that he should be ready to make a trip to Miami next week or the week after. NO 1734-PC speculates that this is probably a result of the meetings between MARCELLO, CAROLLO, and GAGLIANO. NO 1734-PC advised that he will follow this matter closely and immediately advise when he determines exactly how and when JOE MARCELLO departs.

NO 1734-PC advised that an individual by the name of (FNU) SIMON was to meet with CARLOS MARCELLO today concerning the prospective purchase of Churchill Farm Estate. At this point, NO 1734-PC knows only that SIMON represents Brown and Root in a proposed offer to purchase this property. NO 1734-PC noted that this property is estimated to be worth $18,000,000, and CARLOS MARCELLO's net worth is approximately $30,000,000.

NO 1734-PC advised that, as of a year ago, he has complete and sole authority to write checks on every corporate entity in which CARLOS MARCELLO is involved. He noted that yesterday for the very first time CARLOS MARCELLO asked him for the figures on the balance of each corporate bank account. He does not know the reason for this.

NO 1734-PC noted that he has copies of all the balance sheets and will make these available. He further noted that he has convinced MARCELLO for the need of a copy machine in the office and will utilize same this coming Saturday when he is alone and can work unencumbered by the

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presence of others to copy all documents in MARCELLO's financial empire and other related documents of possible interest. He noted that this task will take some time, as there are many variables involved concerning his access to them, and he will have to work at it piecemeal.

NO 1734-PC advised that CARLOS MARCELLO has essentially four large tracts of land; 1) Churchill Farm Estate; 2) Cyprus Gardens, which is a piece of property of approximately 150-170 acres in size, which is located between the Woodland West Subdivision and the Timberlane Country Club on the west bank of the Mississippi River in the Harvey-Gretna, Louisiana area; 3) the piece of property on Veterans Memorial Highway across from Dorignac's Super Market, approximately 50 acres in size, valued at $1,250,000; and 4) a piece of property in St. Charles Parish on Highway 90 West, which presently houses a marina known as Al and Maria's on the road to Thibodaux, Louisiana.

This piece of property is 500 acres in size, consisting mostly of swamp land and is owned in the name of JOSEPH BALESTRE (phonetic), son of deceased Captain JOHN BALESTRE, long-time associate of MARCELLO from Morgan City, Louisiana. JOSEPH, as JOHN's heir, inherited one-half interest, and MARCELLO owns one-half interest. JOSEPH BALESTRE is an engineer currently working and residing in the Detroit area at a legitimate job.

NO 1734-PC noted that, in relation to the property across from Dorignac's, that CARLOS MARCELLO had sent him to the City Council meeting this afternoon in Gretna, Louisiana to have this piece of property sub-divided, inasmuch as it was too large for ready sale, and they have found a purchaser for half the property at $600,000.

NO 1734-PC noted that WARREN DAY, formerly closely associated with CARLOS MARCELLO regarding real estate matters, has arranged for a buyer for this parcel of land and will

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receive a 6% commission on its sale. He noted, however, that WARREN DAY is no longer in good graces with CARLOS MARCELLO for several reasons. He stated that DAY is a braggadocio-type individual, drinks heavily, and on one occasion struck NO 1734-PC when he would not divulge to him CARLOS MARCELLO's whereabouts. He noted that DONALD STONE, long-time associate and chauffeur of MARCELLO, was present at the time and ejected DAY from the office. When MARCELLO found out about this specific incident, he severed his close association with him.

NO 1734-PC will follow this situation and advise as to the purchaser and other pertinent details.

NO 1734-PC advised that CARLOS MARCELLO also owns one-half interest in the Holiday Motel on Highway 90 West, but it is in JOSEPH MARCELLO's (JR.'s) name, and they are selling this tommorrow (12/6/68) to the party who owns the other half interest, named STANDRIDGE, for a piece of $105,000.

NO 1734-PC advised that CARLOS MARCELLO owns several other pieces of land in lot size scattered throughout the parish, of which he can report later in detail, as well as the corporations which control this property.

NO 1734-PC was questioned as to the ownership of the property which houses the club known as Soul City. NO 1734-PC advised that this is owned by JOE C. MARCELLO, the son, and JOE MARCELLO, JR., the brother, but is in the name of an attorney named A. J. GRAFFAGNINO (phonetic). In this regard, PC advised that, before the MARCELLOs opened Soul City, CARLOS MARCELLO had been approached by EMILE IACOPANELLI and Jefferson Parish District Attorney FRANK LANGRIDGE to build an apartment complex on the property adjacent to Soul City, which formerly housed O'Shaunnessey's Bowling Alley, and utilizing both properties for this complex.

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NO 1734-PC advised that CARLOS liked the idea and agreed, but in the negotiations thereafter LANGRIDGE and IACOPANELLI left CARLOS MARCELLO's name out and, therefore, CARLOS did not go through with it.

NO 1734-PC advised that JOSEPH PORETTO sent word back to CARLOS on 11/27/68, that he was being interviewed by two FBI agents, and they were on the way back to interview him when they finished there. Later, PORETTO came to MARCELLO's office immediately after agents' departure, to report to him. At that point, CARLOS had a visitor in his office which he sent into NO 1734-PC's office, instructing NO 1734-PC to lock the door and give him coffee.

NO 1734-PC does not know the identity of this individual and, when the FBI did not show up, he went back into MARCELLO's office. When MARCELLO found out from PORETTO that ANGELO PALMISANO had been arrested, he instructed NO 1734-PC to arrange bond for him, which NO 1734-PC declined to do, telling CARLOS he had too many other important things to do and to have G. WRAY GILL or A. J. Bonding Company make the arrangements, which was done.

NO 1734-PC was queried as to whether or not CARLOS MARCELLO made an attempt to bribe any of the jurors at his recent trial in Laredo, Texas, to which NO 1734-PC responded no. NO 1734-PC noted that he feels that, if such an attempt had been made, he would have had knowledge of it.

The same question was posed to NO 1734-PC concerning CARLOS MARCELLO's trial in 1963, with JOSEPH "BABY" MATASSA on charges of obstruction of justice and jury tampering. NO 1734-PC advised that, although one juror claimed he had been approached, NO 1734-PC does not feel that MARCELLO instigated this but rather MATASSA, possibly at MARCELLO's instructions without NO 1734-PC's knowledge, had made the approach to the juror, it being noted that both MARCELLO and MATASSA were acquitted by a trial jury concerning the alleged bribery attempt.

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NO 92-36
JCM - smj

NO 1734-PC noted that MARCELLO is in almost daily contact telephonically with MATASSA concerning the operation of Pelican Tomato Company and that the reason that MIKE DE MARCO was recently hired by Pelican Tomato Company was that the volume of business had increased to the extent that MATASSA and JOE SALADINO could not handle it.

NO 1734-PC was questioned as to MARCELLO's relationship to State Senator JOHN SCHWEGMANN, whose chain of supermarkets is one of Pelican Tomato Company's largest customers. He advised that JOHN SCHWEGMANN and CARLOS MARCELLO are close friends, and he believes that MARCELLO loaned SCHWEGMANN money when he first began expanding his supermarket chain.

NO 1734-PC was questioned as to MARCELLO's exact relationship with Jefferson Parish District Attorney FRANK LANGRIDGE. He advised that they are just close friends and have been for many years, having grown up in the same area. He stated this was also true regarding MARCELLO's relationship with BEAUREGARD MILLER, Chief of Police of Gretna, Louisiana. NO 1734-PC advised that MARCELLO exercises no particular control over either of these individuals as such.

NO 1734-PC was questioned as to what, if any, relationship MARCELLO has with State Attorney General JACK P. F. GREMILLION and the exact purpose of telephone calls made to the State Capitol, from Stevie Motel, Inc., telephone numbers in 1966. NO 1734-PC responded that a great many of the calls were made by himself to Assistants in the Attorney General's Office with whom he had become friendly during his years as Parish Attorney of Jefferson Parish, wherein he would request legal opinions concerning servitude and other questions of realty law.

NO 1734-PC acknowledged that AUBREY YOUNG, former Aide to the Governor, was a contact of MARCELLO in the Governor's Office and frequented the Town and Country Motel

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repeatedly until MARCELLO ordered him to stay away because of his drinking problem.

NO 1734-PC advised that he does not know off-hand specific amounts of money or individuals to whom it was contributed, but he knows that MARCELLO contributes heavily to individual political campaign funds for numerous politicians throughout the state at their request and does so by writing checks on his personal account at the Merchants Trust and Savings Bank in Kenner, Louisiana. He stated that he would obtain this information in the future and, if possible, obtain copies of the cancelled checks.

NO 1734-PC was queried as to whether or not MARCELLO has any Swiss bank accounts or investments outside the continental United States. NO 1734-PC stated emphatically that he knows personally that MARCELLO has no Swiss bank accounts. Further, he knows that MARCELLO has no investments in Mexico or any other foreign country.

In this regard, NO 1734-PC noted that, during the time CARLOS MARCELLO was having his deportation problems, he had decided that he liked Guatemala and would remain there; however, his wife, JACKIE, would not leave the country. Further, in order for him to obtain permanent resident status, he would have had to pay the then President of Guatemala $250,000. MARCELLO asked NO 1734-PC's advice concerning this, and NO 1734-PC advised against it. Later, the President was assassinated, and he pointed out to MARCELLO that he saved him $250,000, as the successor would have either thrown him out or demanded a like amount. NO 1734-PC stated that he does not know how MARCELLO returned surreptitiously to this country from Guatemala and has never made an effort to determine this.

NO 1734-PC was asked if he ever accompanied MARCELLO on out-of-town trips, to which he responded he had traveled to New York and Washington, D. C. with MARCELLO on several

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occasions. He noted the trip to Washington, D. C. was in response to a subpoena concerning VINCENT MARCELLO's difficulty with Federal Communications Commission in the illegal use of broadcasting on radios utilized by the Jefferson Music Company in their vehicles utilized on routes.

The trips to New York were in conjunction with MARCELLO's proposed deportation to Italy, where they met with JACK WASSERMAN and Dr. ROSSI, a former Italian Consul in New Orleans many years ago. ROSSI was MARCELLO's representative and Italian lawyer in Rome in regard to his deportation to Italy. NO 1734-PC knows that money was paid to ROSSI, and he believes that he can find the exact amount in the form of a cancelled check.

NO 1734-PC was questioned specifically about MARCELLO's influence or control over the mayor of Kenner, Louisiana, EDDIE D'GEROLAMO, to which he responded they are merely close friends, and EDDIE D'GEROLAMO takes orders from no one, except his uncle, VIC CORONA, former city marshal of Kenner. He stated at one time CORONA and MARCELLO were very close, but that is no longer the case.

NO 1734-PC was questioned as to DONALD STONE's present relationship with MARCELLO. He stated that at the present MARCELLO has dropped STONE because of STONE's drinking problem but that STONE has received financial assistance from VINCENT MARCELLO to open up a lounge in the Fountainhead Apartments on Lake Villa Drive in Metairie, Louisiana and requested NO 1734-PC's assistance in obtaining the necessary licenses for this endeavor.

On 12/6/68, NO 1734-PC was telephonically contacted and advised that the sale of the Holiday Motel was going into closing at 11:00 AM, 12/6/68, and was being handled by A. J. GRAFFAGNINO in his offices.

NO 1734-PC further advised that Mr. (FNU) SIMON is MOISE SIMON, attorney for Brown and Root Construction Company, and is from Bay City, Texas. Nothing definite was decided

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concerning SIMON's proposal concerning Churchill Farm, and he returned to Texas. NO 1734-PC will follow this matter and advise.

NO 1734-PC was contacted on 12/16,27,28,30/68, and 1/2/69, and the following is a summary of the information furnished on those dates:

On 12/16/68, NO 1734-PC advised that CARLOS MARCELLO left today in his personally-owned automobile, being chauffeured by SAL BOEMIA en route to Bay City, Texas for unknown reason. NO 1734-PC does know that CARLOS MARCELLO contacted FRANK GAGLIANO telephonically, requesting FRANK to tell his father, GIUSEPPE, to "pack a tooth brush" and meet CARLOS MARCELLO at his home to accompany him. NO 1734-PC also knows that CARLOS MARCELLO planned to pick up PICOU (MILTON PONTIER), long-time Lafayette, Louisiana associate of CARLOS MARCELLO. NO 1734-PC advised that Dr. FRANK RAGANO, TRAFFICANTE's attorney, was in telephonic contact with CARLOS MARCELLO that morning and was planning to meet with CARLOS MARCELLO in Bay City, Texas. NO 1734-PC knows that CARLOS MARCELLO had in his briefcase a transcript of the Laredo trial and also a map of the Waterford Oil Company property located adjacent to Churchill Farm Estate.

On 12/27/68, NO 1734-PC advised that CARLOS MARCELLO made arrangements to purchase a tract of land, 1,785 acres in total located on U. S. Highway 90 West, from the Waterford Oil Company located in Houston, Texas. The act of sale is not final; however, CARLOS MARCELLO has put down $50,000 earnest money and is to come up with another $150,000 in thirty days and the balance to be paid in four years at six percent. Total purchase price was approximately $1,000,000 or roughly $526 per acre. This property adjoins Churchill Farm Estate and was bought by CARLOS MARCELLO primarily for the reason that the Dixie Freeway, as proposed, will pass through both this property and Churchill Farm Estate. The property will probably

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be placed in CARLOS MARCELLO's son's name. Partners in this endeavor are LOUIS ROUSSEL, JOSEPH MATASSA, and his brother, JOHN MATASSA.

In addition, CARLOS MARCELLO purchased 100 acres with frontage on U. S. Highway 90 West in order to have access to the Waterford Oil Company property and had to pay $3,300 per acre for this property. NO 1734-PC stated that CARLOS MARCELLO utilized $50,000 of the $105,000 realized from the sale of the Holiday Motel.

NO 1734-PC advised that the Cypress Gardens tract of land previously mentioned is owned by Gems, Inc., which was recently reorganized, and JAMES J. CULOTTA was removed as President. NO 1734-PC stated that actually Gems, Inc. comprises nine separate sub-corporations, each named after a precious jewel, such as Sapphire, Inc., etc., and the original 180 acres was divided into nine twenty-acre parcels, each under a separate corporate name.

NO 1734-PC advised that this tract of land was purchased by CARLOS MARCELLO a number of years ago in his father's name for $28,500, and last year alone they sold off subdivided properties amounting to over $1,000,000. He stated that the new officers of Gems, Inc. are JEFF HAMPTON, CARLOS MARCELLO's son-in-law, as President; JOE C. MARCELLO, CARLOS MARCELLO's son, Secretary-Treasurer; MIKE MAROUN, CARLOS MARCELLO's attorney, Associate. NO 1734-PC advised that MIKE MAROUN has a one-fourth interest in the corporation. He also advised that WARREN DAY received a 10% commission on all sales of the corporation.

NO 1734-PC advised that PHIL RIZZUTO stopped to see CARLOS MARCELLO today and conversed behind locked doors. ANGELO PALMISANO was with CARLOS MARCELLO prior to RIZZUTO's appearance and was asked to leave the room by CARLOS MARCELLO. NO 1734-PC does not know the reason for the meeting but remarked it seemed unusual because CARLOS MARCELLO regards RIZZUTO as being "punch drunk."

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NO 1734-PC advised that CARLOS MARCELLO gave his son his new Lincoln for Christmas and is purchasing another new Lincoln for himself from JACK DE SALVO for $8,900 plus, to be delivered in a few weeks.

NO 1734-PC advised that CARLO MONTALBANO stopped by 12/27/68, to see CARLOS MARCELLO, but he was out, and MONTALBANO has made frequent attempts in the past week to meet with CARLOS MARCELLO without success for unknown reasons.

NO 1734-PC advised that WARREN DAY has an apartment in the Imperial House on Causeway Boulevard.

On 12/23/68, NO 1734-PC had advised that the funeral of the mother of CARLOS MARCELLO's long-time girl friend, LUCIA MICELI, was to take place that day. On 12/27/68, NO 1734-PC advised that CARLOS MARCELLO himself did not attend the funeral but sent his personal secretary, DOROTHY CROWDER, his chauffeur, JOE ARNONE, and his brother, PAS MARCELLO. NO 1734-PC explained that CARLOS MARCELLO could not send his son, JOE C. MARCELLO, because JOE C. MARCELLO would have told his wife, JACKIE, that CARLOS MARCELLO's relationship with LUCIA MICELI continues. NO 1734-PC advised that the same thing applies to JEFF HAMPTON, who would also go straight to CARLOS MARCELLO's wife if he knew the relationship continues.

NO 1734-PC advised that on 12/23/68, CARLOS MARCELLO had a party at the Town and Country Motel attended by A. J. GRAFFIGNINO, WARREN DAY and girl friend, J. FOLSE ROY and wife, CARLOS MARCELLO's son, JOHN HATTAWAY, (FNU) COMO of Como Realty with offices in the Imperial House, and Mrs. ARLENE SWING. NO 1734-PC did not know her address but stated that her husband is aware of the relationship and is satisfied that CARLOS MARCELLO is paying the house mortgage.

NO 1734-PC identified a photograph of FRANK CARACCI as the individual who is attempting to date CARLOS MARCELLO's private secretary, DOROTHY CROWDER, without success.

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Concerning information developed by Houston that CARLOS MARCELLO was attempting to purchase a piece of property known as the Golf Crest Country Club, this is not a venture by CARLOS MARCELLO but rather by J. FOLSE ROY. Regarding ROY, NO 1734-PC advised that he is involved in a scheme in Belize, British Honduras with an individual named TAYLOR, first name believed to be HOWARD or HAROLD. He described TAYLOR as short, heavy set, and a birthmark all over his face. He stated that TAYLOR has an apartment in Houston but is originally from California.

NO 1734-PC advised that ROY attempted to interest CARLOS MARCELLO in this deal, but CARLOS MARCELLO turned him down. The deal involves the minting of money for the Government, and they have a bank set up already. They will mint coin for the Government by contract but will also mint gold coin, coat it with some type of substance in order to ship it into this country. NO 1734-PC had no further details concerning this operation.

NO 1734-PC advised that FRANK CASONE of Memphis, Tennessee has made numerous trips to see CARLOS MARCELLO in the past year, attempting to interest CARLOS MARCELLO in investing in a motel that CASONE is building in the Bahamas, but CARLOS MARCELLO has exhibited no interest in this venture. NO 1734-PC stated that CASONE dates DOROTHY CROWDER when in town and stays at the Town and Country Motel.

NO 1734-PC identified BOB ANDREWS as an attorney associated with FRANK RAGANO. (Houston source had identified BOB ANDREWS as a young attorney from Florida who was with CARLOS MARCELLO in Bay City, Texas 12/17/68.)

NO 1734-PC advised that the meeting at Pedone's Red Onion Restaurant in Covington, Louisiana between CARLOS MARCELLO, his son, and A. J. GRAFFIGNINO on the weekend of 12/15/68, concerned the sale of the Holiday Motel and that transaction has been completed.

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On 12/28/68, NO 1734-PC advised that CARLOS MARCELLO had reservations that date on Braniff Flight 256, departing at 6:15 PM to Shreveport, Louisiana, returning on Braniff Flight 235, departing 4:25 PM from Shreveport on 12/29/68. The purpose of visit known only to NO 1734-PC as to meet with ERNEST PALMISANO and others unknown.

NO 1734-PC exhibited a letter from MOISE H. SIMON, attorney, 1514 Seventh Street, Bay City, Texas, enclosing a petition for Executive Clemency for Commutation of Sentence, requesting that CARLOS MARCELLO and PHIL SMITH read this over, fill it out, and send it back. The letter was signed "JACK," believed to be an attorney associate of SIMON. NO 1734-PC advised that PHIL SMITH read his petition and advised CARLOS MARCELLO that it was not applicable until his appeals were finalized. NO 1734-PC advised that, evidently, SIMON had convinced CARLOS MARCELLO that they could present this petition to President JOHNSON before he left office. NO 1734-PC advised that PHIL SMITH was not returning the petition.

NO 1734-PC advised that CARLOS MARCELLO does not plan to have his traditional New Years Eve party at his home this year.

NO 1734-PC advised that PETE IMBORNONE is not being financed in his present operation by any of the MARCELLOS and, in fact, still owes VINCENT MARCELLO a considerable sum of money for the operations of the Pla-Pen and Club Pisano Lounges.

On 12/30/68, NO 1734-PC advised that CARLOS MARCELLO met Friday night, 12/27/68, with four Louisiana State Representatives at his offices at the Town and Country Motel until 9:00 PM, discussing the 10% funds that the state is required to raise to match the 90% already allocated by the Federal Government for the construction of the Dixie Freeway.

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The purpose of CARLOS MARCELLO's meeting with these individuals was to insure that the state provides this 10% because that freeway will pass through properties owned by CARLOS MARCELLO. NO 1734-PC identified HANK LAURICELLA, a Mr. ULLO (believed to be a pseudonym for a representative from St. Charles Parish named BARKER or BAKER), and two others unknown to NO 1734-PC. NO 1734-PC advised that CARLOS MARCELLO had a 1:00 PM appointment with LAURICELLA at Elmwood Plantation Restaurant on 12/28/68, and did not go to Shreveport as planned.

PC advised that PHIL RIZZUTO met with CARLOS MARCELLO twice on 12/30/68, behind closed doors, and on one occasion CARLOS MARCELLO called his son, JOE C. MARCELLO, into the room. The purpose of the meeting is unknown to NO 1734-PC.

NO 1734-PC identified a safety deposit box in the name of H. P. B. Company, Inc., located at the Merchants Trust and Savings Bank, Kenner, Louisiana, which contains a daily diary maintained by CARLOS MARCELLO's private secretary, DOROTHY CROWDER, concerning CARLOS MARCELLO's daily activities and whereabouts. NO 1734-PC advised that this safety deposit box also contains two letters, reflecting implied threats to CARLOS MARCELLO. Both of these letters were delivered by hand, unsigned, to CARLOS MARCELLO, approximately six to eight months ago.

The first letter was delivered by FRANK RAGANO from SANTO TRAFFICANTE and in essence tells CARLOS MARCELLO that, if they cannot get together and settle their differencies, there will be trouble for CARLOS MARCELLO.

The second letter is from ANTHONY CAROLLO and contains the same type of threat. The last letter was also hand delivered, but NO 1734-PC does not know who delivered it. NO 1734-PC advised that CARLOS MARCELLO had PHIL SMITH block out certain portions of these letters, xerox them, and furnished them to his attorney, WASSERMAN, for use if anything happened to CARLOS MARCELLO. NO 1734-PC advised he would obtain copies of these letters at an opportune time in the future.

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On 1/2/69, NO 1734-PC provided xerox copies of papers relating to the recent purchase by CARLOS MARCELLO of 1,785 acres off of U. S. Highway 90 West and land transactions engaged in by the Gems, Inc. company over the past year.

NO 1734-PC also advised that PHIL RIZZUTO has been calling CARLOS MARCELLO almost every day, and NO 1734-PC learned that RIZZUTO is attempting to obtain financing for a cousin in Kenner, Louisiana who is building duplexes. (This individual is believed by the New Orleans Office to be LEONARD FRANZONE, Chicago hoodlum who recently moved to Louisiana as a permanent resident.

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On 1/8/69, NO 1734-PC advised that CARLOS MARCELLO is very close to AL CHITTENDEN, President of the ILA Local, and was introduced originally through G. WRAY GILL. Source noted that, in fact, CHITTENDEN utilized MARCELLO's Churchill Farm Estate for his, CHITTENDEN's, wedding in the recent past. NO 1697-PC had furnished information concerning an individual whom he observed enter and depart MARCELLO's residence. On this date NO 1734-PC identified this individual as JACK LEOPARD, who is associated with G. WRAY GILL's law firm and who is working on MARCELLO's appeal on his recent assault of a Federal officer conviction. Source also advised that MURRAY SOLO, who owns and operates a couple of places in the French Quarter, was trying to see CARLOS MARCELLO today without success. Source advised that CARLOS MARCELLO is a good friend of a lobbyist in Washington by the name of IRVIN DAVIDSON, and DAVIDSON in turn introduced MARCELLO to JIMMY HOFFA. In this regard he knows of one specific occasion when HOFFA and CARLOS MARCELLO met, and he does not recall the date, but it was when BARRY GOLDWATER was running for President and came to New Orleans for a speech. NO 1734-PC advised that PHILLIP RIZZUTO is registered in room 10 of the Town and Country Motel, but NO 1734-PC does not know the reason for this. NO 1734-PC advised that DONALD STONE yesterday was in the company of CARLOS MARCELLO's girl friend, GLORIA DE SANTOS, and her girl friend, BILLIE WATKINS, in the Town and Country Lounge, and the girls stayed at the motel that evening, returning to Baton Rouge the next day.

On 1/23/69, NO 1734-PC advised that CARLOS MARCELLO's Lafayette, Louisiana associate, MILTON PONTIER, aka PICOU, was coming to New Orleans tomorrow with 1,000 crawfish heads for a party at Churchill Farm Estate. Source does not know the reason for the party or who will be in attendance at this time but would determine it and advise. Source advised that CARLOS MARCELLO and his girl friend, GLORIA DE SANTOS, had a fight, and he sent someone to Baton Rouge to pick up the car he had been letting her utilize. NO 1734-PC advised that Sheriff EDDIE ST. MARIE of Lafourche Parish was in the office of CARLOS MARCELLO at the Town and Country Motel yesterday and

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signed over 1,000 plus shares in Tidewater Marine Corporation. NO 1734-PC advised that these shares actually owned by MARCELLO but purchased for him by ST. MARIE, and they are now maintained in a safe-deposit box at the Merchants Bank and Trust in Kenner, Louisiana. NO 1734-PC advised that ROCK HEBERT, the bondsman from Gretna, Louisiana, met with CARLOS yesterday for unknown reason. Source further advised on this date that both JOSEPH and JIMMY ARNONE are quitting their employment at the Town and Country Motel. NO 1734-PC advised that both SAMMY and VINCENT MARCELLO, brothers of CARLOS MARCELLO, stopped by yesterday at MARCELLO's office and dropped off two manila envelopes full of money. MARCELLO took some money from one of the envelopes and told his secretary, DOTTIE CROWDER, to place it in a small envelope for a Mrs. COCO, who is unknown to NO 1734-PC. NO 1734-PC advised that MARCELLO has a hidden interest in the Merchants Bank and Trust, Kenner, Louisiana, and he will attempt to determine who is fronting for CARLOS MARCELLO and the amount of the investment. He also noted that CARLOS MARCELLO also maintains large accounts through his various front companies with the First National Bank of Jefferson and the Guaranty Bank. NO 1734-PC advised that FRANK CASONE, a Memphis, Tennessee hoodlum now residing on the Gulf Coast, came to see CARLOS MARCELLO yesterday with two individuals known only to the source as LEO (LNU) and PAUL (LNU), who were temporarily staying at the Bourbon Orleans Hotel. NO 1734-PC advised that JOE NUCCIO came to see CARLOS MARCELLO a few days ago and attempted to influence MARCELLO in having the Southern Tours Bus Line stop at a new club he was trying to open together with JOE JOSEPH. This new club was to be located at PETE HERMAN's old place in the French Quarter and was to feature female impersonators fashioned after the My-O-My Club on the lakefront. MARCELLO turned NUCCIO down and later told NO 1734-PC he did not want the competition with My-O-My, indicating to NO 1734-PC for the first time that he had some interest in this club.

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On 1/27/69, NO 1734-PC advised that GLORIA DE SANTOS called MARCELLO from Baton Rouge complaining that she had been interviewed by the FBI, and MARCELLO became infuriated.

On 1/28/69, NO 1734-PC advised the meeting that took place at Churchill Farm Estate the previous Friday in which MILTON PONTIER supplied the crawfish was for the purpose of discussing real estate and actually two meetings took place. The first meeting was at 2:00 PM and was attended by real estate people, including WILSON ABRAHAM. The second meeting took place at 3:00 PM and was attended by JOSEPH MATASSA, JOSEPH SALADINO, JOSEPH MARCELLO, JR., JOSEPH C. MARCELLO, SAMMY MARCELLO, and DONALD STONE did the cooking. Subject of discussion was the recent purchase of the 1,784 acres of land from the Waterford Oil Company of Houston, Texas, previously mentioned by NO 1734-PC, and it was decided that they would attempt to borrow $1,000,000 from a Venezuelan source through a law firm in New Orleans named Harris, Young, and Rosenblum. NO 1734-PC noted that he himself was not in attendance and, therefore, does not know the names of everyone there. NO 1734-PC advised that MOISE SIMON, attorney from Bay City, Texas, called CARLOS MARCELLO today stating that he was sending an individual named NORRIS PIER and another individual over to look at Churchill Farm Estate as prospective purchasers. SIMON wanted CARLOS MARCELLO to show the property himself, but MARCELLO sent his son-in-law, JEFF HAMPTON, instead. PIER was not satisfied with this arrangement and requested to meet MARCELLO at the VIP Room, Delta Airlines, that evening before returning to Houston. However, NO 1734-PC advised MARCELLO told him he was on his way to Baton Rouge with his real estate associates, WARREN DAY and Mr. COMO, to see GLORIA DE SANTOS. Later that afternoon MARCELLO telephonically contacted NO 1734-PC and in the interim NO 1734-PC had been advised by LISA MOSCA that somebody from out of town was there and wanted to meet MARCELLO about an urgent matter. NO 1734-PC conveyed this to MARCELLO, who said he would delay his trip to Baton Rouge and proceed to MOSCA's.

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On 1/30/69, source advised that JACK KENT, son of RICHARD KENT, is married to MILTON PONTIER's daughter. NO 1734-PC advised that JACK KENT and CARLOS MARCELLO were together in KENT's car this morning examining property on the West Bank and, in particular, the Woodland West Subdivision, as KENT wanted to purchase some property in that area and wanted MARCELLO's advice. NO 1734-PC advised that WILSON ABRAHAM and JOSEPH C. MARCELLO were requested by CARLOS MARCELLO to meet FRANK RAGANO at the airport and take him to the Elmwood Plantation Restaurant between 12:00 and 1:00 PM for a conference with MARCELLO, believed to be in reference to a racetrack located someplace in Florida. NO 1734-PC advised that he attended the luncheon, but nothing pertinent was said at the table, and MARCELLO and RAGANO talked in the car outside prior to RAGANO's departure on a flight back to Miami at 2:55 PM. NO 1734-PC advised that WILSON ABRAHAM drove RAGANO back to the airport.

On 2/5/69, source advised that FRANK RAGANO and F. LEE BAILEY were staying at the Bourbon Orleans Hotel yesterday and were to meet today with CARLOS MARCELLO and WILSON ABRAHAM for unknown reason at an unknown location.

On 2/7/69, NO 1734-PC advised that F. LEE BAILEY and MELVIN BELLI met with District Attorney JIM GARRISON of Orleans Parish for unknown reason.

On 2/23/69, NO 1734-PC advised that, during Mardi Gras and the day before, CARLOS MARCELLO, NOFIO PECORA, and JOSEPH MATASSA all had adjoining suites at the Bourbon Orleans Hotel. JOE PORETTO had a visitor from Detroit who was his guest by the name of TONY (LNU), whom NO 1734-PC described as short and bald.

On 2/27/69, NO 1734-PC advised that CARLOS MARCELLO is selling one-half of his property located across the street from Dorignac's Super Market on Veterans Highway with the act of sale to be finalized on 2/27/69. Property will be sold

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to a JULIUS ROSENBLUM. NO 1734-PC advised he will furnish full details in the form of xeroxed documents concerning this sale at a later date. NO 1734-PC advised that CARLOS MARCELLO had reserved two rooms at the Town and Country Motel and told NO 1734-PC these rooms would be utilized by a sheriff and three deputies from the State of Florida. MARCELLO instructed NO 1734-PC to register these rooms in MARCELLO's name. NO 1734-PC advised that around noon on 2/26/69, JOHNNY LA BRUZZO, a former chauffeur for MARCELLO, visited MARCELLO at the Town and Country Motel office. LA BRUZZO was emotionally upset and was actually crying in the presence of the source, but MARCELLO closed all the doors in his office and turned up the radio so that NO 1734-PC was unable to hear what transpired between LA BRUZZO and MARCELLO. NO 1734-PC speculated that LA BRUZZO was upset because of the FBI's investigation into LA BRUZZO's fraudulent dealings with Small Business Administration.

On 3/5/69, NO 1734-PC advised he had been contacted by HENRY DI MICELI, who is the only heir of SAM DI MICELI, and was requested by him to reopen the succession of title to the estate. He noted that, when SYLVESTRO CAROLLO was picked up for deportation the second time, he was hiding on SAM DI MICELI's farm in Slidell. He stated that SAM DI MICELI died in 1963, and he does not know why HENRY now contacts him but, if anything pertinent evolves, he will report it. Concerning the recent expose in the local press concerning the city official named LOUIS GOMEZ having met with CARLOS MARCELLO regarding the Orleans Parish garbage situation, he advised that a meeting did take place on 10/3/68, not attended by NO 1734-PC, but he knows that GOMEZ, MARCELLO, CARLO MONTALBANO, RAY PATRON, NUNZIO SQUILLANTE, and another unidentified individual from New York were in attendance. The topic of discussion was the feasibility of forming a company to obtain the Orleans Parish garbage contract if the City Council decided to let private collection. He also stated that this was not the first time that GOMEZ met with MARCELLO concerning this situation, and MARCELLO has been

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interested for some time in entering the garbage collection field. He stated at first MARCELLO considered bidding on the Orleans Parish contract through Louisiana Disposal Company headed by JOHN HATTAWAY, who had the garbage contracts for Harahan and Kenner, Louisiana until recently and was financially backed by MARCELLO. However, HATTAWAY lost both these contracts and is now out of business. NO 1734-PC advised that MARCELLO had decided to keep HATTAWAY on the payroll and was sending him to Memphis, Tennessee to get some prices on some equipment because DAN SILVERMAN of Jefferson Disposal Company is having financial difficulties and wanted to sell his commercial pickups to MARCELLO for a given amount of money plus some liabilities.

NO 1734-PC advised that CARLOS MARCELLO has instructed him to form a new company, which will be a holding company, and MARCELLO's son, JOE C. MARCELLO, will be the president, and NO 1734-PC will be chairman of the board. NO 1734-PC is drawing up the papers for this new company and will advise at a later date its name, corporate make-up and shareholders. NO 1734-PC advised that the sheriff and three deputies scheduled to stay at the Town and Country never did show up and, therefore, he did not learn their identities. NO 1734-PC stated that last Monday he passed an act of sale for FRANK GAGLIANO on the purchase of a house which MARCELLO arranged through a friend so that GAGLIANO had to have no money down and no closing costs. NO 1734-PC advised that FRANK CASONE was in town one day last week but did not get to see MARCELLO; however, he did call DOTTIE CROWDER, whom he dates occasionally when in town.

On 3/11/69, NO 1734-PC advised that the name of the new company being formed will be Marsh Lands, Incorporated, and MARCELLO plans to retain 51% interest in this company, selling shares at $10,000 a piece to selected individuals, a complete list of which he will furnish after he has issued the stock, but he recalls from memory that some of the

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individuals will be JOSEPH and JOHN MATASSA (JOHN MATASSA probably fronting for LOUIS ROUSSEL), JIMMY BEESON, JACK WASSERMAN, MIKE MAROUN, Mrs. BLANCHE LONG, widow of EARL, State Attorney General JACK P. F. GREMILLION, all the MARCELLO brothers, and some of the MOSCA family, in addition to others he cannot recall at this time. NO 1734-PC stated that another purpose for forming this company was to give MARCELLO capital in the amount of $1,000,000 to pay for the Waterford Oil Company property because they had decided against utilizing the Venezuelan source of money because of the high interest rate attached to that source. NO 1734-PC advised he would furnish complete details on this company at a later date. NO 1734-PC advised that last Sunday CARLOS MARCELLO, JACK P. F. GREMILLION, and JACK WASSERMAN met at an unknown location half-way between Baton Rouge and New Orleans, Louisiana. NO 1734-PC advised that GREMILLION intends to utilize WASSERMAN as his legal counsel in his indictment in the Louisiana Loan and Thrift case. NO 1734-PC advised that CARLOS MARCELLO and his brother, JOSEPH, JOE PORETTO, and ANTHONY CAROLLO met today behind closed doors for some unknown reason which he will determine later.

On 3/12/69, NO 1734-PC advised that the meeting between MARCELLO, PORETTO, and CAROLLO concerning CAROLLO's attempt to take over the Town and Country Restaurant from PORETTO, but no agreement was reached because CAROLLO wanted to get in for nothing, and PORETTO wants too much money. NO 1734-PC advised that A. J. GRAFFIGNINO received an urgent call from U. S. Representative HALE BOGGS this afternoon summoning him to Washington by airplane that afternoon. NO 1734-PC did not know the reason for this meeting but would attempt to determine. NO 1734-PC advised that ED ROUSSEL is sharing office space with A. J. GRAFFIGNINO and is "on our payroll." It is noted that ROUSSEL is the former head of IRS intelligence in New Orleans and currently Chief Counsel to the Governor's Labor Racket-Management Commission of Inquiry. NO 1734-PC advised that PHIL RIZZUTO has room number 10 registered under his name at the Town and Country, as NO 1734-PC saw the registration card this morning.

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On 3/17/69, NO 1734-PC advised that A. J. GRAFFIGNINO did not go to Washington and, therefore, he did not determine why he was summoned there by BOGGS. NO 1734-PC advised that CARLOS MARCELLO lent BABES CUTRERA the money to get started in business in his bar in Lafitte, Louisiana, but at the present time they are not on speaking terms. He stated that MARCELLO has no interest in a boat owned by CUTRERA and, to his knowledge, never had any such interest in the past. He noted that CUTRERA used to hold a position on the State Highway Commission during the LONG Administration, but he does not know how MARCELLO first became acquainted with him or whether BABES CUTRERA is related to JOSEPH CUTRERA, owner of the Speedy Super Market on Chef Menteur Highway. NO 1734-PC advised that WALTER SCHWARTZ, who was formerly with DAN SILVERMAN running the Jefferson Disposal Company for him, is now in St. Petersburg, Florida and has advised MARCELLO that he would run a garbage collection firm for him for a salary of $20,000 a year if MARCELLO decides to get into that field. NO 1734-PC advised, however, at this point MARCELLO has decided to pull back and not get involved in the garbage industry, particularly in Orleans Parish. He noted that SCHWARTZ is anxious to come back to the New Orleans area, as he purchased a marina near Lafitte, Louisiana, which his wife is running, and he does not like his job in St. Petersburg.

For the information of the Bureau, CARLOS MARCELLO submitted a life insurance policy to the Community National Life Insurance Company, Tulsa, Oklahoma. This policy was submitted by DEXTER BUSH of Lake Charles, Louisiana, who is presently being contacted by SA JAMES FRANCIS WRIGHT on a confidential basis. This life insurance policy listed as a reference Mayor VICTOR H. SCHIRO . BUSH has not been contacted concerning this policy, in view of Community National Life Insurance Company's position that this information should remain completely confidential; however, it appears this policy was filled in by BUSH and signed by MARCELLO.

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New Orleans requested Oklahoma City to contact the Community National Life Insurance Company in an attempt to determine if they had contacted MARCELLO's references listed in this policy.

The following investigation was conducted at Oklahoma City on 10/30/68:

J. G. ROGERS, Vice President, Community National Life Insurance Company, Tulsa, Oklahoma, advised SA THOMAS W. MC LAIN that his records fail to reflect any interview of the references given by MARCELLO. ROGERS advised these interviews would have been made by Retail Credit Company and reported in their inspection report. A review of this inspection report, a copy of which was previously furnished to New Orleans, reflects MARCELLO has either obtained or attempted to obtain substantial amounts of insurance since 1962. Therefore, it is assumed that Retail Credit Company has made previous inquiries for other insurance companies and, in so doing, may have interviewed references.

Mr. ROGERS has reiterated the fact this report was furnished by Community National and should be kept confidential.

The following investigation was conducted at New Orleans:

NO 1712-PC advised that he recently determined from J. FOLSE ROY that ROY and MARCELLO are involved in an insurance company, Mayalan Insurance Company. NO 1712-PC stated that this company was incorporated in the free zone of British Honduras in July, 1966. The original incorporators were TAFT MOODY, who runs a small hotel in Beliza, British Honduras and LAWRENCE LORD TAYLOR. NO 1712-PC stated that TAYLOR operates out of ROY's office at 915 Veterans Highway, Metairie, Louisiana.

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After incorporation, the company began writing insurance in Texas through the Insurance Office of Pioneer General Insurance Company in San Antonio, Texas. The Texas Insurance Department, Austin, Texas caused Mayalan a lot of trouble because they were not paying off claims. NO 1712-PC stated that ROY indicated that a Mr. CLINES (phonetic) of the Texas Insurance Department caused them the trouble. ROY indicated that they were collecting better than $200,000 a month in premiums in Texas.

When pressed by the Texas Insurance Department to file a record of American assets for claims purposes, ROY claimed Churchill Farms, Inc. as principle asset. It is noted that Churchill Farms is a 7,800 acre estate owned by MARCELLO.

As a second asset ROY told NO 1712-PC he claimed Pecos County Water Control and Improvement Bonds, amount unstated, which were transferred from CARLOS MARCELLO to a Mr. CORBETT to J. FOLSE ROY and then to Mayalan Insurance Company.

NO 1712-PC stated that he is slightly acquainted with LAWRENCE LORD TAYLOR and believed him to have served time in the past for mail fraud in insurance cases. NO 1712-PC stated that, from his conversation with ROY, he believed that this whole operation was a device to transfer money of CARLOS MARCELLO out of the United States and that, while handling this transfer of funds out of the United States, ROY has engaged in some type of insurance fraud in Texas.

Investigation concerning this matter is being handled under case captioned "JOSEPH FOLSE ROY, aka, AR," New Orleans file 92-559.

LV 303-C-TE advised he has received no additional information concerning the subject.

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NO 1734-PC advised on 12/16/68, that MARCELLO is being driven by SAL BOEMIA to Bay City, Texas in CARLOS MARCELLO's black Lincoln Continental, 1968-1969 Louisiana license 320B871.

MARCELLO is to pick up "PICOU," Lafayette, Louisiana associate of MARCELLO. MARCELLO is transporting transcript of his trial at Laredo, Texas and is to meet with Dr. FRANK RAGANO, attorney for LCN boss SANTO TRAFFICANTE of Tampa, Florida.

NO 1734-PC also advised GUISEPPE GAGLIANO, former under boss of LCN in New Orleans is to be in attendance. The purpose of the meeting is unknown to source, and MARCELLO is to return on Wednesday, 12/18/68.

SAM HANNA (protect identity at his request), Editor, The Concordia Sentinel, weekly newspaper, Ferriday, Louisiana, advised SA JOHN A. PFEIFER of the following information on 12/12/68:

While he was attending Louisiana State University (LSU) at Baton Rouge, Louisiana from 1951-1955, NORMAN M. MAGEE, who was from Port Allen, Louisiana, also was a student in his class and was a fairly talented basketball player. After graduation, MAGEE entered the military service then returned to LSU to obtain a law degree. He was affiliated with a Baton Rouge law firm after his graduation and in about 1960 or 1961 was sent by that firm to open a branch office in Ferriday to help PERRY CORBET get the Delta Security Bank and Trust Company of Ferriday off the ground. He set up his office in a building near the Ferriday City Hall. He shared this building with JAMES "RED" MC NEW, a member of the Ferriday Town Council and and accountant, and with CLYDE WEBBER, JR., who was running an insurance agency at that time. MC NEW and WEBBER, doing business as Colony Realty, owned this office building.

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except for the incident following PERRY CORBET's death, at which time it was reported that CARLOS MARCELLO had sent a wreath with his card to CORBET's funeral and may have stopped at the funeral home on the day of the funeral. NORMAN MAGEE, of course, was CORBET's personal attorney and the one handling his estate. However, he has learned that Mrs. CORBET has been supervising MAGEE very closely in disposition of this estate. His personal opinion of Mrs. CORBET is that she is an honest, moral person.

On 12/17/68, SA JOHN C. MC CURNIN, II advised that MARCELLO, accompanied by SAL BOEMIA and GIUSEPPE GAGLIANO of New Orleans area, had departed New Orleans on 12/16/68, with a transcript of the Laredo, Texas trial in hand and were scheduled to travel to Lafayette, Louisiana to pick up MILTON "PICOU" PONTIER and then continue on to Bay City, Texas to meet with SAM TRAFFICANTE's attorney.

At approximately 12:55 PM PONTIER's house at 505 St. Camille Street, Lafayette, Louisiana was observed, and parked in the driveway was a white 1969 Pontiac Grand Prix bearing 1968 Louisiana license 47I718, registered to MILTON PONTIER at this address.

At approximately 1:00 PM a telephone call to PONTIER's number, 235-4427, determined from the woman answering that PONTIER was not home and was not expected until the evening of 12/17/68.

HO 1293-PC, contacted 12/17/68, at Bay City, Texas, furnished the following information:

This source advised she had originally been placed in contact with CARLOS MARCELLO by one JACK HALFEN, Collegeport, Texas, in connection with MARCELLO's attempt to buy the Oasis Motel at Bay City. HO 1293-PC advised that MARCELLO reportedly made two or three attempts to purchase the motel and used MOISE E.

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SIMON, a Bay City attorney, in these attempts. Being unsuccessful, HALFEN reportedly furnished HO 1293-PC's name to MARCELLO as being the one who could effect the sale. HO 1293-PC stated she was contacted from New Orleans by persons representing themselves to be connected with the Holiday Inn Motel chain and went to that city with that understanding.

HO 1293-PC met MARCELLO and his attorney, BOB ANDREWS, a young white male attorney from Florida. MARCELLO claimed he was investing Teamsters Union funds and made an offer of $850,000 for the motel, furnishing her with $100,000 earnest money which she brought back to the owner at Bay City. At this point, the owner decided he did not desire to sell the motel and refused to discuss any of the terms with her.

HO 1293-PC stated that, while in New Orleans, she stayed at the Town and Country Motel and was taken to Lafayette, Louisiana by MARCELLO to meet a realtor who was supposed to handle future dealings the two would have. This Lafayette realtor was unavailable, and HO 1293-PC does not recall his name or the location of his office, which she described as a small "two by four rathole." HO 1293-PC has no further information regarding the possible sale of the Oasis and refused to deal with the owner in view of his past activities.

HO 1293-PC further stated that CARLOS MARCELLO is attempting to negotiate for the purchase of 116 acre parcel of land in Houston, Texas, commonly known as Golfcrest Country Club, and recently contacted HO 1293-PC through HALFEN in regard to the purchase of a 16 acre parcel of land in Friendswood, Texas, a suburb of Houston.

HO 1293-PC was requested to attend a meeting at Orange, Texas on 12/17/68, at which the above two prospective sales were to be discussed. HO 1293-PC advised that MOISE

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SIMON was supposed to attend the meeting; however, as of noon, 12/17/68, he was still in Bay City, Texas. HALFEN did travel to Orange to attend the meeting. HO 1293-PC had no knowledge of the location of the meeting or who would be in attendance; however, HALFEN did tell her that he would see her on 12/23/68.

By communication dated 12/31/68, the Jackson Division furnished the following information:

On 12/22/68, and 12/24/68, Attorney FRANK E. SHANAHAN, JR., Vicksburg, Mississippi (who requested that his identity be protected), advised SA JACK G. WILSON that he had heard from a source, who is in a position to be knowledgeable concerning such matters, that one of CARLOS MARCELLO's lieutenants from the Gulf Coast of Mississippi, probably Gulfport, Mississippi, had been in Vicksburg, Mississippi on 12/19/68 and 12/20/68, attempting to arrange things so the town could be opened up to prostitution and extensive gambling activities. Attorney SHANAHAN was unable to find out what this individual's name was, other than possibly GUISSIPPI (phonetic) or COSANDRA (phonetic).

MARCELLO's lieutenant is supposed to have arranged through JOHN E. ELLIS, recently-elected District Attorney, Sheriff PAUL L. BARRETT of Warren County, Mississippi, Chief of Police MARION BROWN, and Detective Captain ROY REDDITT of the Vicksburg, Mississippi Police Department, to place prostitutes at the Holiday Inn, the Magnolia Motel, and the Downtowner, all of Vicksburg. In addition, T. D. FARRIS, T. D.'s Place, China Street, would be given permission and the backing to operate a numbers game at his lounge. BERNIE BIERMAN was allegedly offered the job of strongarm man to keep any dissenting elements in line; however, BIERMAN allegedly refused the offer. BIERMAN was to have his existing debts liquidated, which amounted to approximately $200,000, in return for his services.

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Approximately two months ago, an unidentified gambler from the Gulf Coast is supposed to have offered an ex-gambler, who now resides in Vicksburg, Mississippi, $10,000 if the Vicksburg man would go into business with him and set up a lay-off operation for the Gulf Coast gamblers. The Vicksburg man is supposed to have turned down the offer, claiming that he is now too old to get involved in this type of an operation.

Attorney SHANAHAN also advised that he has been told that JOHN ELLIS and other members of his family, also attorneys, represent a financial syndicate that is backed by unknown persons in Cleveland, Ohio, whose principal interest is in real estate. SHANAHAN advised that he considered it strange that a financial syndicate would operate through young lawyers with limited experience since graduating from law school, rather than through one of the established and legitimate banks.

Attorney SHANAHAN advised that he believes his information has been supported in part as, after having learned of the above, he talked to one KAY KING who is now a clerk at the Downtowner Motel. KING indicated that she was going to leave town, taking a two-week vacation to Acapulco, Mexico and that she was thereafter going to New Orleans, Louisiana, where she was going to get a setup at an unspecified lounge where she anticipated making $400 per week. SHANAHAN was of the opinion that KING would be involved in gambling and/or prostitution.

The Houston Division advised on 1/15/69, they were maintaining contact with HO 1293-PC in a further attempt to identify the location of the alleged meeting attended by MARCELLO on 12/17/68.

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and that New Orleans has information that O'DAY was making contacts reportedly to obtain financing for this purchase through CARLOS MARCELLO.

Mr. POL advised that, according to his source of information, the meeting on 1/2/69, was at least partially for discussion of the reconstruction work on Blue Lake Manor.

Mr. POL advised that Delta-Wye Corporation, 858 Market Street, Pascagoula, Mississippi, is doing the drafting work for the reconstruction job. He said that Delta-Wye lists A. JOHN OLINGER, P. E., and PHILLIP M. HUMBER, P. E., as its engineers. He said that Associated Reality Company, 858 Market Street, broker-KELLIS MADISON, is one and the same organization as Delta-Wye Corporation. He said that he does not know what activities Associated Reality Company is dealing in.

Mr. POL further advised that Bagwell Neal Contractors, Baton Rouge, Louisiana, is making a very strong effort to obtain the painting contract for the new Ingalls Shipbuilding Corporation under construction at Pascagoula, Mississippi. He said that he suspects that this company may have hoodlum connections but that he has no proof of this. He said that his company would be very desirous of avoiding awarding a contract to any organization that is involved with the hoodlum element.

By communication dated 2/3/69, the New York Division advised as follows:

On 1/29/69, Former PCI MICHAEL RAYMOND and Chicago PCI LEO NETZEL furnished the following information concerning their trip to the New Orleans area:

They advised they departed O'Hare Airport, Chicago, 10:40 AM on 1/22/69, aboard Delta Flight 765. After one stop in St. Louis, they arrived in New Orleans shortly after 2:00 PM. There they were met by FRANK CASONE. RAYMOND was introduced as PAUL ROGO.

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CASONE drove them directly to the Town and Country Motel in New Orleans and there left them in the automobile and entered the motel. Shortly thereafter, CASONE came back to the car and told them they had an appointment with CARLOS MARCELLO for the next afternoon. They then had lunch in the New Orleans area and then drove to Gulfport, Mississippi, where CASONE checked them into the Admiral Benbow Motor Inn. CASONE stayed with them the rest of the evening, which included the "Trophy Room" of the Broadwater Hotel, which RAYMOND advised CASONE seemed to be quite well known at.

During the course of the evening, RAYMOND gradually built a cover story for himself with CASONE indicating to CASONE that he was a wealthy financier currently out of Chicago who had excellent banking connections in Miami, Nassau, Bahamas, Switzerland, and Montreal. In turn, CASONE advised that he was the former "boss" of Memphis and was very strong in the Gulfport and New Orleans areas, as well as being a "dear friend" of CARLOS MARCELLO. Both RAYMOND and NETZEL noted that, at all times, CASONE carried a gun with him.

In discussion, he continually mentioned various political figures he was acquainted with and indicated he was currently operating in real estate. Specifically, RAYMOND indicated to CASONE that his intention in meeting MARCELLO was that he desired to put up a major resort hotel in Nassau, Bahamas similar to Paradise Island. He advised that he specifically wanted MARCELLO's cooperation in handling the gambling casino at this proposed hotel. In this connection, RAYMOND indicated to CASONE that he had an "in" with the Bahamian Government to obtain a license for gambling.

During the discussion concerning financing for this project, RAYMOND indicated that major loans would have to be made and that some collateral might be needed to finance these loans. CASONE indicated to RAYMOND and NETZEL that this would be no problem at all, that he or MARCELLO would have

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access to any type of collateral necessary. The inference was clear to both NETZEL and RAYMOND that CASONE was referring to illegal collateral, either spurious or stolen.

The following morning CASONE woke them early at 7:00 AM. They then had breakfast and then drove to friends of CASONE's named BETTY and BILL FLANAGAN, who are in the real estate business in Gulfport. They then drove to New Orleans and the Town and Country Motel. They went directly to the rear office of CARLOS MARCELLO but, after waiting a few moments, decided to have lunch. While they were eating lunch, the telephone rang in the restaurant summoning them to MARCELLO's office. As they entered MARCELLO's office, they noted that he was seated behind a large desk which had the initials CM.

CASONE immediately became very subservient and sat on the edge of his chair throughout the discussion.

RAYMOND was immediately introduced by CASONE as ROGO, and MARCELLO advised RAYMOND to call him CARLOS. RAYMOND then proceeded for about 20 minutes to lay out his plans for a proposed resort hotel in the Bahamas. Near the end of his discussion, he indicated that he intended to have the gambling casino on the top of the hotel, which would afford a panoramic view. At this point, MARCELLO jumped into the conversation and advised that this would not be a workable plan. He advised that the casino must be on the ground floor, as the wives returning in the evening with their husbands would never let them get up to the gambling casino. He advised they would also have to consider carefully how many stories the casino would have depending on building costs in the Bahamas. He stated it would also be more profitable to increase the number of rooms that RAYMOND intended from 250 to 400 or 500.

MARCELLO pointed out that he has approximately 100 rooms at his motel and could almost run the motel as cheaply with double that number. MARCELLO also disagreed

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with RAYMOND's theory of financing concerning a lease back, as they would have to have the control over the hotel firmly in their hands.

MARCELLO then went into the gambling end and advised he would completely handle all arrangements, including obtaining and financing the gambling equipment and all of the gambling personnel needed. He advised that he had access to lists of gamblers throughout the country, could immediately check on their credit with one phone call, and could arrange needed gambling junkets. He asked RAYMOND whether or not he had the land available, and RAYMOND indicated he did. He also asked RAYMOND whether or not he could obtain adequate financing, and again RAYMOND indicated he probably could.

MARCELLO advised that the next thing he desired in connection with this transaction was to have one of his men go with RAYMOND to the Bahamas so that they could "clock" the take at Paradise Island. He indicated he would like to have this done in the next week or two.

After about 45 minutes of discussion, the conference ended, and RAYMOND and NETZEL left the office, CASONE staying for a few minutes. When CASONE came out, he seemed to NETZEL and RAYMOND "on top of the world." They had noted that, prior to going into the office, he was somewhat uneasy.

It was NETZEL's opinion that RAYMOND had completely impressed both CASONE and MARCELLO with his ability to perform.

That evening CASONE, NETZEL, RAYMOND, and three girls went out. One of their dates was MARCELLO's secretary, DOTTY.

RAYMOND continued with his cover as that of a big financier and spender and, after they had been drinking for some time, invited them all to go to Nassau that night. The following morning he did, in fact, fly them to Nassau, where they stayed several days at Paradise Island. During the course

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of this stay, CASONE spoke with the "pit boss" and several officials of the casino. He then told RAYMOND that the casino was netting $30,000,000 a year, of which $10,000,000 was being "skimmed."

RAYMOND then flew the party by chartered airplane to the Florida Keys, where he advised them his yacht would pick them up. RAYMOND advised he actually does have a yacht but that the water was too rough for the vessel to come from Miami to the Keys. RAYMOND stated there they parted, CASONE returning to the New Orleans area, and he and NETZEL flying to New York.

While NETZEL and RAYMOND were being interviewed in New York, CASONE telephoned them and advised on his return he had gone to see MARCELLO again and told him what he had found out about the take in Paradise Island. They advised that CASONE was most intent on progressing the "deal."

RAYMOND advised that, in regards to his taking a MARCELLO representative to the Bahamas to "clock" the count, he thought he would advise MARCELLO and CASONE that he was too tied up in financial affairs and would request MARCELLO to send his own man over alone.

NETZEL advised he would have to immediately return to Chicago, as he was advised by his wife that his daughter had fallen and suffered a concussion.

Both RAYMOND and NETZEL were questioned concerning a possible violation in this scheme, and they both indicated that they were sure that MARCELLO or CASONE or together would offer fraudulent securities if and when the occasion arose to finance the hotel.

NETZEL again reiterated the fact that RAYMOND was in "solid" with both CASONE and MARCELLO as a result of their trip.

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physically observed on 2/4/69 and 2/5/69, by SA JOHN A. AMBLER in Tampa, and TP 120-C has advised that TRAFFICANTE and his wife departed Tampa during the afternoon of 2/5/69, travelling via automobile to Miami.

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ADMINISTRATIVE

The following investigation was conducted by SA DAVID A. BARCLAY:

On January 21, 1969, SA 775-C-TE advised SA DAVID A. BARCLAY that he asked MORRIS JAFFE approximately two months ago how he was getting along with the "Mafia" in New Orleans. Informant said JAFFE told him that nothing further had been developed regarding the shopping center he was planning to build in the New Orleans area. Informant said he doubted very much if the "Mob" would confide very much with MORRIS JAFFE as JAFFE is too talkative. Informant said he will probably see JAFFE at dinner on Thursday of this week and if the opportunity presents itself, he will ask JAFFE if anything further has developed in regard to his contacts with CARLOS MARCELLO regarding the building of the shopping center in New Orleans.

On February 11, 1969, SA 775-C-TE advised SA DAVID A. BARCLAY he has not had a chance as yet to talk to MORRIS JAFFE regarding his interest and/or association with CARLOS MARCELLO in New Orleans. Informant stated he is attending a dinner this Saturday night, February 15, 1969, and possibly JAFFE will be at the dinner at which time he will try to talk to him about his association with CARLOS MARCELLO.

On March 6, 1969, SA 775-C-TE advised he has not had a chance to talk to MORRIS JAFFE regarding CARLOS MARCELLO; however, he doubts if JAFFE has anything going with MARCELLO at the present time, as JAFFE is busy with MICKEY MANTLE and his chain of restaurants and also is busy with the Texaco Oil Corporation regarding the installation of food service with new service stations in the Texaco Oil Corporation chain of stations. Informant advised when the opportunity presents itself, he will talk to JAFFE about MARCELLO and advise Special Agent BARCLAY.

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On January 16, 1969, JK 108-C was contacted by SA ORVILLE R. SHOOK and advised he had no information that CARLOS MARCELLO had been making trips to Pensacola, Florida, and he did not know BERNIE BIERMAN.

By communication dated 3/18/69, the Houston Division advised as follows:

HO 1293-PC advised on 3/11/69, that no further action has been taken concerning MARCELLO's efforts to purchase a motel in Bay City, Texas, nor has any attempt been made through HO 1293-PC to purchase the 66 acre parcel of land in Friendswood, Texas, in which MARCELLO had indicated a prior interest.

HO 1293-PC advised that information had been received from JACK HALFEN, who resides at Collegeport, Texas, that MARCELLO is indebted to HALFEN for some past favor. HO 1293-PC stated that HALFEN spends a great deal of time in HO 1293-PC's place of business and has indicated a desire to share a part of the office.

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