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Law Enforcement Sees Drugs and Gambling as Major Targets

Each year, the Pennsylvania Crime Commission asks other law enforcement agencies to give their assessment of organized crime in the Commonwealth, to highlight their investigative efforts, and to make recommendations for strengthening the law enforcement apparatus.

In its 1983 Report, the Commission noted that organized crime's involvement in drugs was becoming a significant problem, even in some of the Commonwealth's more sparsely-populated counties.

This trend has continued. Consequently, many law enforcement agencies, especially at the federal level, are focusing more and more on illegal drug networks, many of which generate profits that dwarf those of major American industries.

The responses the Commission received in 1985 also indicate that illegal gambling is drawing more attention from law enforcement, particularly at the state level.

Those responses follow. In a few cases, material may be somewhat duplicative in nature. However, in most instances, it has been left intact since it is illustrative of the multi-faceted and highly specialized approach that law enforcement uses in combatting sophisticated crime.

N. G. Dellarciprete Acting Commissioner Pennsylvania State Police

During 1984, this Department continued its cooperative efforts with a number of local, state and federal law enforcement agencies to investigate and prosecute organized and professional criminals in many areas of the Commonwealth. Investigations have focused on major narcotics traffickers, large-scale fraud and theft rings, arson for profit, public corruption, and wide-spread illegal gambling operations.

The Drug Law Enforcement Division has uncovered large, clandestine methamphetamine laboratories in several locations in eastern Pennsylvania. Significant seizures of cocaine, in quantities up to three kilos, have been made in the northeastern area of the Commonwealth. Major raids aimed at curbing illegal heroin traffic were made in central Pennsylvania. As a result of investigations using court authorized electronic surveillance in western Pennsylvania and the use of the statewide investigating grand jury by the Office of Attorney General, a significant number of arrests have been made of major heroin and cocaine traffickers. A part of these investigations led to the largest cocaine seizure ever made in West Virginia.

Several investigations by members of our Fraud Investigation Units and various State Police Troops have led to other jurisdictions such as Georgia, Kentucky and New York. Stolen construction vehicles, expensive trucks and cars were recovered and the illegal activities of several theft rings and insurance fraud rings were curtailed.

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N.G. Dellarciprete
Acting Commissioner
Pennsylvania State Police

The White Collar Crime Units conducted several investigations involving public corruption. Major thefts of money from insurance companies and products from a computer firm were successfully investigated as were cases involving forgery, perjury and complex frauds.

The Organized Crime Units have continued to employ court authorized electronic surveillance and the investigating grand jury system to discover the full scope of the criminal enterprises they investigate. Through the use of these tools, investigations begun in one part of the Commonwealth have led to co-conspirators in a variety of distant locations. One investigation initiated in north-eastern Pennsylvania led to co-conspirators in southwestern then central Pennsylvania.

The state and several local investigating grand juries have been used by this Department to develop cases which could not have been successful without this method of investigation. Cases involving major illegal drug traffic, public corruption and large-scale illegal gambling operations are among several types of investigations pursued in this manner. There is a need for additional investigative grand juries, both state and local, to serve the needs of investigators and prosecutors who are not able to get their cases heard because of the heavy case load of the present investigating grand juries.

There is a need for a viable protection system at the state level. The threat of violence against witnesses and informants is becoming more prevalent for even the "lower-echelon" criminals and most people are intimidated from testifying in court. A coordinated effort must be made to protect those who provide information about criminal activities.

During 1985 the Pennsylvania State Police will continue to investigate the illegal activities of organized and professional criminals which bring them the greatest profit; illegal drug traffic, illegal gambling and infiltration of legitimate businesses. Emphasis will also be on those areas where there is the greatest potential for violence: illegal drug trade and witness intimidation.

Joel M. Friedman
Attorney in Charge
Philadelphia Strike Force

During 1984, the Philadelphia Strike Force in cooperation with federal, state and local investigative agencies has had numerous noteworthy successes. Many of the accomplishments have been in the area of drug prosecutions which reflect the increased involvement of the LCN and Sicilian groups in narcotics trafficking. Another area of substantial accomplishment arose from the cooperation of several high-ranking LCN associates whose assistance and testimony led to the solution and prosecution of various gangland murders and attempted murders.

The following summary represents some of the most significant organized crime matters prosecuted by the Philadelphia Strike Force during 1984:

United States v. George Martorano, et al.

On September 21, 1984, George "Cowboy" Martorano was sentenced to life imprisonment without parole for his role in conducting a drug enterprise whose yearly drug distributions were in excess of \$75 million. Kevin Rankin, a practicing attorney and Martorano's "consigliere" in the enterprise, received the maximum sentence of 54 years in jail.

Eight other defendants received jail sentences ranging from five to 20 years. Martorano and 12 of his co-defendants pled guilty in June; Rankin was convicted on all eight counts of drug conspiracy and unlawful use of a telephone facility by a federal jury after a three-week trial. Martorano is the son of former drug kingpin Raymond "Long John" Martorano. The elder Martorano was convicted by the Strike Force on drug violations.

This successful prosecution was the result of a 14-month F.B.I. undercover investigation which revealed George Martorano to be a drug middleman of immense proportion, heading a drug operation that fed Philadelphia with a gamut of controlled substances, including cocaine, quaaludes, methamphetamine and marihuana.

Hundreds of thousands of quaaludes, upwards to 120 kilograms of cocaine, thousands of pounds of marihuana and pounds of methamphetamine were distributed yearly. The corporation received, transported, and distributed drugs, and collected, laundered, and invested revenues in legitimate businesses.

Rankin performed illegal services for both the elder and younger Martorano. He advised on how to evade law enforcement detection, launder drug profits, and avoid forfeit of assets purchased with drug money. He also acted as Martorano's "front man" for businesses.

United States v. Alberto Ficalora, et al.

On May 7, 1984, Alberto Ficalora, Paolo LaPorta and Giovanni LaPorta all pled guilty to an indictment which charged a conspiracy to distribute heroin and cocaine. A fourth and lesser defendant, John Camiloa, pled guilty to a conspiracy charge. On June 22, 1984, Paolo LaPorta was sentenced to a prison term of 35 years, a fine of \$125,000 and placed on 20 years special parole.

Giovanni LaPorta was sentenced to 20 years in jail, fined \$50,000 and placed on 20-year special parole. The lead defendant, Alberto Ficalora, was sentenced on June 13, 1984, to a prison term of 30 years and a fine of \$150,000.

The conviction was a result of a Drug Enforcement Administration undercover investigation in which five and three-quarter kilograms of heroin, ranging in purity between 29 and 94 percent, were purchased. The total retail street value of the heroin was estimated at \$8 to \$10 million. These purchases were coordinated with physical and court-authorized electronic surveillance.

During investigation, D.E.A. undercover agents, working in conjunction with the F.B.I., conducted a long-range undercover infiltration into the upper echelons of organized crime trafficking in heroin.

This case was coordinated by the Strike Force and U. S. Attorney's Office.

United States v. Gaetano Badalamenti, et al.

An investigation conducted by the Philadelphia Strike Force together with Strike Forces in Newark, New Jersey and Detroit, Michigan and U. S. Attorney's Offices in Chicago, Illinois, Madison, Wisconsin and New York City led to the indictment of 38 defendants on April 19, 1984 in the Southern District of New York.

The Attorney General called the case "the most significant case involving heroin trafficking by traditional organized crime that the federal government has ever developed." Attorney General William French Smith also announced that "prosecutors cannot recall another case that documented so clearly or extensively the international operations of a heroin ring and then uncovered and established so firmly the national distribution of heroin within the United States."

According to Smith, "Justice Department officials estimate that the ring has imported at least 330 pounds of heroin a year for the past five years — a total of at least 1,650 pounds of heroin with a street-level value of \$1,650,000,000."

The investigation was one of the best coordinated national organized crime investigations ever undertaken. The F.B.I., D.E.A., I.R.S., I.N.S. and Customs Service investigators worked closely with prosecutors from the Strike Forces and U. S. Attorney's Offices. The investigative agencies conducted a year-long electronic surveillance in many districts.

In Philadelphia, a D.E.A. undercover agent working with the Strike Force penetrated the international drug operation. He made direct heroin buys of two and one-half kilograms of heroin at a cost of in excess of \$600,000 from a pizza parlor owner in Philadelphia.

The heroin purchases were coordinated with electronic and physical surveillance being conducted on high-level Sicilian LCN figures in New Jersey and New York.

The F.B.I and D.E.A. coordinated the investigation with authorities in Europe and South America. The investigation was also able to trace millions of dollars of funds that had been laundered and transferred from the United States to Switzerland.

One important incidental benefit of this investigation that should have a lasting impact upon our success in attacking organized crime in the future was the identification of a large group of Sicilian organized crime figures who had been put into pizza parlors throughout the United States.

These individuals are particularly active in narcotics. The case is awaiting trial in the Southern District of New York.

United States v. Virelli, et al.

On May 23, 1984, the scheduled day of trial, Dennis Verilli and eight co-defendants pled guilty to engaging in a continuing criminal enterprise. Virelli and Kenneth DeRosa, a fugitive, were charged with conducting a continuing criminal enterprise to manufacture and distribute large quantities of methamphetamine. Virelli was also charged with tax violations.

The enterprise used numerous locations in Philadelphia and up-state Pennsylvania to manufacture over 240 pounds of methamphetamine. It is estimated that the methamphetamine produced had an ultimate street value of approximately \$15 million.

The indictment further charged that Virelli and others established a defense and bail fund from the drug proceeds which paid attorneys' fees and bail for members of the enterprise.

On October 12, 1984, Virelli was sentenced to 12 years imprisonment without parole. Co-defendants were sentenced to prison terms ranging up to eight years.

United States v. Joseph Walsh, et al.

On November 26, 1984, Joseph Walsh, John Goodwin and Lorraine Weierbach were indicted on charges of conspiracy to distribute methamphetamine and distribution of methamphetamine. Walsh is an organizer for the Seafarers International Union and Goodwin is a member of Roofers Local 30. Weierbach is part-owner of a pub in Philadelphia.

The three are charged with conspiring to distribute methamphetamine during the period November 1983 through June 1984. The indictment alleges that as part of the conspiracy, approximately two pounds of methamphetamine were sold by Goodwin to an individual who was cooperating with the federal authorities.

The sales are alleged to have taken place inside the Seafarers International Union Hall. Weierbach is alleged to be one of the people who supplied methamphetamine to Goodwin; Goodwin in turn allegedly sold the methamphetamine to the cooperating individual.

This case which is awaiting trial was investigated by the F.B.I., D.E.A., Customs and the Inspector General's Office of the Department of Labor.

United States v. John Nardini, et al.

On July 9, 1984, John Nardini and eight co-defendants entered guilty or nolo contendere pleas in United States District Court to various counts of a 21-count indictment which charged ten present and former Temple University employees with participating in a 15-year conspiracy to extort vendors doing business with the university.

Between 1969 and 1984, six vendors named in the indictment as victims of the extortionate scheme paid the defendants in excess of \$750,000 in kickbacks.

In September 1984, Nardini was sentenced to six years imprisonment, five years probation and restitution of \$448,000. Other sentences ranged up to five years imprisonment.

Commonwealth v. Harry Riccobene, et al.

The Philadelphia Strike Force played a major role in the successful murder prosecution of several prominent Philadelphia organized crime figures.

On November 18, 1984, Harry Riccobene and Joseph Casdia were convicted of first degree murder and Vincent Isabella was convicted of third

degree murder and conspiracy in connection with the 1982 murder of Frank Monte, reputed consigliere of the Philadelphia LCN, and conspiracy to murder other high-ranking LCN members, including Salvatore Testa, Raymond "Long John" Martorano and reputed boss Nicodemo Scarfo.

Previously, Riccobene associates Joseph Pedulla and Victor DeLuca had pled guilty to federal RICO murder charges in connection with the conspiracy. Riccobene's half-brother, Mario "Sonny" Riccobene, pled guilty to third degree murder charges.

Pedulla, DeLuca, and Mario Riccobene all cooperated with federal and state authorities and testified against Harry Riccobene and the other defendants who went to trial.

The Strike Force, the F.B.I., and Philadelphia Police Department have been engaged in an ongoing grand jury investigation into the many gangland slayings, which began in March 1980 with the murder of Angelo Bruno.

In connection with this investigation, Vincent Isabella was convicted following a six-day jury trial for making a false declaration before a federal grand jury. During his grand jury testimony, Isabella falsely denied knowing any members of the Pagan Motorcycle Club.

The principal trial witness was James "Jimmy D" DiGregorio, a high-ranking Pagan. Isabella was sentenced on this conviction to three years imprisonment.

Mario Riccobene's testimony also substantially contributed to the recent conviction of Raymond "Long John" Martorano and Albert Daidone for the murder of Roofers Union President John McCullough.

United States v. Robert Delker, et al.

On October 31, 1984, an eleven-count indictment was returned in the Eastern District of Pennsylvania charging six defendants with conspiring to participate in the affairs of a union through an eight-year pattern of racketeering activity.

Robert Delker, the business representative of the Lehigh Valley Painters' Union, Local 1269 in Bethlehem, Pa., Donald J. Parker, Franklin Delker, John Antalosky, Russell Antalosky, members of the Local, and Richard Malgadey, the president of the union, comprised a group which is alleged to have dominated and controlled Local 1269 through the systematic use of force, violence, threats, acts of vandalism and physical and economic intimidation.

The indictment is particularly significant in that it has targeted the corrupt hierarchy of a labor union which has terrorized the Lehigh Valley for nearly a decade.

According to the indictment, Robert Delker abused his position and duties as union business representative in order to gain control of Local 1269 and obtain monetary gain for himself and his co-conspirators.

It was part of the conspiracy that Robert Delker and Malgadey violated the Hobbs Act by conspiring to extort federally guaranteed union rights from the members of Local 1269 through the use of actual and threatened force and violence and the fear of financial and economic loss.

Delker, Malgadey and others used beatings, vandalism, property destruction and threats of death to stifle all opposition to Delker's views or opinions.

This case was jointly investigated by the Inspector General's Office of the Department of Labor and the I.R.S.

United States v. Cosmo Aiello

On October 10, 1984, Cosmo Aiello pled guilty to conspiring to manufacture and distribute 168,000 unauthorized counterfeit alligator shirts in the United States, Europe and Japan.

Named as unindicted co-conspirators were Joseph Zicarelli, aka "Bayonne Joe", now deceased and Harold Goberman, aka Harry Harris and H. Goldman. Goberman pled guilty in a closed proceeding on October 11, 1983, to conspiracy and one count of fraud by wire and secretly cooperated with the government.

The indictment charged that Zicarelli financed a scheme by Aiello and Goberman to manufacture and distribute the counterfeit shirts. They set up four factories in the Allentown, Pa., area, copied the shirt, attached false alligators and labels and placed them in copies of shirt bags. Over 14,000 dozen shirts were distributed.

On October 14, 1984, Aiello was murdered in a restaurant parking lot in Clifton, New Jersey, after leaving a meeting at the restaurant.

United States v. Vincent Perry, et al.

On December 3, 1984, a 31-count indictment was returned charging Vincent Perry and three others with conspiracy to sell tons of non-inspected meat for human consumption over a period of more than three years. The indictment alleges that Berwin and Wayne Taylor acquired dead cattle,

carcasses of cattle and meat from cattle not inspected by USDA and arranged to have the meat brought to Taylor Pet Food.

The Taylors then boned the meat from these sources and sold it to Perry for resale for human consumption.

The indictment alleges that the meat was picked up by Dominic Impagliazzo in unmarked vans and transported to Summit Beef where it was processed and sold as ground beef, hamburger, beef patties, and stew beef.

The indictment further alleges that this meat was sold by Perry to wholesale customers who had contracts to sell meat to institutions including Haverford State Hospital, Somerset State Hospital, Veterans Administration Hospitals, Farview State Hospital and school districts in the state of Delaware.

The indictment alleges that the meat was falsely packaged and labeled as having been inspected by USDA.

United States v. John Martorano

On June 26, 1984, after a two and one-half week trial, a jury returned a verdict of guilty against John Martorano on a charge of submitting false statements to a union health and welfare fund. Martorano was the controlling shareholder, officer and director of AMMA Health Center, Inc., an out-patient medical service provider that entered a contract to provide services to the Philadelphia Teamsters Local 837 Health & Welfare Fund.

This case is believed to be the first instance of a service provider being convicted under 18 U.S.C. §1027.

John Martorano is the brother of Raymond "Long John" Martorano and uncle of George "Cowboy" Martorano, both of whom have recently been convicted by this Strike Force as major drug traffickers.

On September 5, 1984, Martorano was sentenced to three years imprisonment and fined \$10,000.

United States v. Ellis F. Klepfer

On September 4, 1984, Ellis Falls Klepfer pled guilty to interstate travel in aid of racketeering in connection with a scheme to bribe an officer of Local 481 of the Bakery, Confectionery & Tobacco Workers International Union (BCTW). Immediately after the plea was entered, Klepfer was sentenced to two years' incarceration.

