

## SINGULAR ACCOMPLISHMENTS

Over the years, the Commission has achieved what its creators intended. Its broad jurisdiction has allowed it to play a pivotal role in efforts to expose wrongdoing and to reform the systems that are designed to cope with many grievous conditions plaguing society — especially organized crime, official corruption, mismanagement and waste in government.

Many worthwhile investigations would never have been done but for the Commission. Taxpayers and consumers have saved tremendous sums of money as a result of legislative actions and other initiatives recommended by the Commission and as a result of civil and administrative proceedings utilizing evidence that it has uncovered over the years. Moreover, many crimes would not have been revealed and punished but for the Commission's discovery of them during investigations that, at first blush, did not appear to include criminal elements.

In addition to an impressive list of investigations leading to public hearings and reports, the Commission has conducted many probes which did not develop data sufficient to prompt public actions. Many of these were suitable for a private report or for internal reference to other agencies without attendant publicity. Often, remedial efforts have resulted simply in reaction to Commission preliminary inquiries.

### **CONTROLLING ORGANIZED CRIME**

Throughout its history, the Commission has publicly disclosed the inner workings of the criminal underworld. It has done so in order to heighten the public's awareness of the ways in which criminal organizations operate and to maintain a high level of

public support for vigorous crime-fighting measures. Its aim has not been to sensationalize a serious sociological problem, but simply to enable officials in Trenton and Washington, as well as private businesses and citizens, to make intelligent decisions on how best to cope with the problems presented by organized criminality.

The Commission has confronted individual mobsters and caused their incarceration for failing to cooperate with its investigations. More importantly, it has exposed organized crime's major markets and its infiltration of legitimate industries. Significantly, the Commission has taken the lead in pointing out the need to pay more attention to the many established and emerging criminal organizations that have blossomed in New Jersey in addition to the seven La Cosa Nostra crime "families" operating here.

### **Protecting Legitimate Industries**

Many legitimate industries in New Jersey have benefitted from the Commission's exposure of mob infiltration and entanglement. They include:

- Medical providers (1994).
- Bars (1995, 1992);
- Motor fuel distribution (1992);
- Garment (1991);
- Check Cashing (1994, 1988);
- Horse racing (1986);
- Boxing (1985);
- Housing construction (1981);
- Dental care plan organizations (1981);
- Casino-related businesses (1986, 1983 and 1977);
- Securities and banking (1972);

- Building services and maintenance (1970); and
- Solid waste collection and disposal (1969 and 1989).

Particulars of the impact of Commission investigations are described in the following examples from the above list.

#### *Motor Fuel Distribution*

The Commission was among the first agencies in the nation — in an October 1991 public hearing and February 1992 report — to expose links between transnational Russian organized crime networks emerging in New Jersey and domestic organized criminals engaged in systematic evasion of motor fuel taxes in this state. Motor fuel tax evasion has cost the state treasury over \$20 million per year in lost revenues. The tax evaders, some paying tribute to La Cosa Nostra, were also driving legitimate motor fuel distributors out of business by using the tax savings to gain an unfair competitive advantage.

While federal and state law enforcement agencies were engrossed in targeting some of these so-called “daisy chain” operations for criminal prosecution, the Commission’s unique public exposure of the problem led directly to legislation that tightened the tax system and added an estimated \$22 million annually to New Jersey government revenues.

#### *Dental Care Plan Organizations*

After a December 1980 public hearing conducted by the SCI revealed organized crime infiltration of dental care plans, the Commission submitted to the Legislature its recommendations for amending a 1980 law designed to regulate the activities of dental care plan organizations. The recommendations called for full disclosure and close inspection of financial transactions of dental plan organizations and also addressed their alliances with consultants, finders and other entities and individuals. To help this industry, as well as others, the Commission highlighted its recommendation of favorable action on a

proposed state version of the federal Racketeer Influenced and Corrupt Organizations (RICO) law. The state RICO bill was enacted in June 1981. A bill (sponsored by Assemblyman Anthony M. Villane, Jr.) that incorporated the Commission’s other recommendations was enacted on January 25, 1983.

#### *Casino-Related Businesses*

In the case of businesses ancillary to the casino industry, the Commission revealed during an August 1977 public hearing machinations of mobsters in such legitimate Atlantic City enterprises as cigarette vending machines, bars, restaurants, hotels and gambling schools.

The Commission’s January 1978 report of this investigation recommended stronger statutory licensing and disqualification procedures so as to more effectively prohibit the acceptance of applicants with organized crime backgrounds for licensure as cigarette vending agents of the state or as owners and operators of ventures under the jurisdiction of the alcoholic beverage control laws. Based on the Commission’s recommendations, a bill was enacted in February 1980 after much participation by Commission officials in the revision and committee review process. The new law strengthened the licensing requirements of the State Division of Taxation for those involved in the cigarette industry.

Attorney General W. Cary Edwards wrote to Commission Chairman Henry S. Patterson, II in May 1987 to express satisfaction with the Commission’s investigation and report on profiteering by organized crime-influenced subcontractors at casino and public construction sites. Edwards reviewed his Department’s aggressive confrontation of organized crime and its various law enforcement proposals to the Legislature. His letter continued:

*The SCI’s endorsement of those legislative initiatives is an important voice in obtaining much-needed reform of the Casino Control Act in the very areas which have served to permit organized crime to circumvent the law*

*designed to protect the Atlantic City casino industry. The SCI's firm resolve to expose the dangers presented by organized crime, educate the public with regard to those dangers and propose creative solutions complements the ongoing initiatives of the Organized Crime and Racketeering Task Force and reinforces law enforcement's unwavering commitment to eliminate organized crime not only from Atlantic City, but from New Jersey as well. In that regard, the SCI's established credibility and ongoing efforts to achieve the same goals adds another powerful voice in the reform movement and will most certainly enhance my Department's ongoing investigations and prosecutions.*

#### *Solid Waste Collection and Disposal*

Beginning in 1969, the Commission has revealed the existence of mob-enforced customer allocation schemes and other nefarious activities in the solid waste industry. The report of that investigation helped to prompt passage in 1970 of the New Jersey Antitrust Act, which now serves as an important law enforcement tool against bid riggers and price fixers, as well as organized crime. Another Commission-recommended law prohibited price and access discrimination against customers of waste disposal facilities. First recommended by the Commission in 1969, an organized method for determining the real parties in interest of solid and hazardous waste firms was fulfilled in 1986, when the State, after defeating a lengthy court challenge, began to implement the Waste Industry Disclosure Law of 1983.

In 1989, the Commission revisited the solid waste industry. It severely criticized as ineffective and counterproductive the system of utility-style rate regulation governing commercial and industrial solid waste haulers and called for its elimination. Responding to the Commission's report, the Solid Waste Collection Regulatory Reform Act was enacted, effective April 14, 1992, to phase out the costly and un-

necessary rate-setting system over four years. The Reform Act also required the Board of Public Utilities to establish uniform bid specifications for municipal solid waste collection contracts — a measure which the Commission recommended in order to stimulate competition.

As recommended by the Commission, the Legislature strengthened the Disclosure Law to better exclude sinister elements from the solid waste industry. The amended law now requires that in preparing its background report on solid and hazardous waste permit applicants, the Attorney General's Office "may request and receive criminal history information from the State Commission of Investigation ...."<sup>14</sup> The Legislature also provided in the 1991 revisions that no solid or hazardous waste license shall be approved by the Department of Environmental Protection if:

*the Attorney General determines that any person required to be listed in the [permit] disclosure statement ... has been identified by the State Commission of Investigation ... as a career offender or a member of a career offender cartel or an associate of a career offender or career offender cartel, where such identification, membership or association creates a reasonable belief that the participation of that person in any activity required to be licensed under this act would be inimical to the policies of this act. For purposes of this section, "career offender" means any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain, utilizing such methods as are deemed criminal violations of the public policy of this State; and a "career offender cartel" means any group of persons who operate together as career offenders.<sup>15</sup>*

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<sup>14</sup>N.J.S.A. 13:1E-128a(3).

<sup>15</sup>N.J.S.A. 13:1E-133f.

## **Promoting Law Enforcement Intelligence, Legislative Action and Public Understanding**

The Commission has taken the lead in providing important intelligence to law enforcement agencies and enlightening the public about a great variety of organized criminal groups. The Commission's intelligence files are developed primarily through its own field investigations. This information, which the Commission makes available to law enforcement, serves as an important resource to other law enforcement agencies combating organized criminals. The Commission has been an active participant in the nationwide Law Enforcement Intelligence Unit (LEIU), an organization of law enforcement agencies dedicated to the sharing of intelligence on organized criminal activity, as well as the federally-funded Middle Atlantic-Great Lakes Organized Crime Law Enforcement Network (MAGLOCLN).

The Commission has also led the way in helping law enforcement and the public to identify and understand perils from so-called "non-traditional" or "emerging" organized crime. For example, a November 1990 public hearing and March 1991 report detailed the make-up and operations of multi-faceted Afro-lineal organized crime. A November 1988 public hearing and March 1989 report laid bare the menace of diverse cocaine trafficking groups, many with extensive support from international cartels. The Commission's 1989 Annual Report provided a comprehensive and early assessment of the need to focus society's defenses against a substantial variety of newly emerging organized crime groups.

### *Money Laundering*

The Commission's December 1993 public hearing and July 1994 report on money laundering resulted in the enactment in October 1994 of comprehensive criminal and civil legislation to curb this major tool of organized criminals. Successful prosecutions have already resulted from the new law, which culminated several years of Commission ef-

orts to point out the need for strong measures to control money laundering. In an earlier report, the Commission confirmed during its 1983 investigation of casino gambling credit abuses in Atlantic City the unwarranted presence of organized crime figures on casino premises as credit players, recipients of free rooms, food and beverage and as bettors of large sums of cash. The Commission went on record in support of a proposed federal Internal Revenue Service regulation to require that casinos be included among financial institutions that must disclose and report currency transactions of more than \$10,000. When promulgated, this regulation became an important part of the state and federal government's efforts to uncover and prosecute the laundering of illegitimate cash at legal casinos by criminal elements.

### *Criminal Street Gangs*

The Commission's June 1993 public hearing on criminal street gangs was followed, just two months later, by the formation of a Youth Gang Initiative within the Division of Criminal Justice and county prosecutors' offices. The Commission's survey regarding criminal street gangs — the first attempt to quantify the problem on a statewide basis—revealed the existence of more than 700 gangs within the state. Its work product became an integral part of a broad new push by policy makers to reform and reinvigorate the state's juvenile justice system. In a March 17, 1994 executive order, Governor Christine Todd Whitman cited the Commission's report, Criminal Street Gangs, published in February 1994, as an important resource to be utilized by her Advisory Council on Juvenile Justice.

### *Video Gambling*

The Commission's January 1991 public hearing and September 1991 report on video gambling revealed the extent of this vice within the state, and exposed how organized crime enriches itself by manipulating illegal electronic games of chance. This exposure helped lead to the passage of several local

ordinances banning the devices.<sup>16</sup> It also deepened the understanding of state policymakers debating legalization of video gambling.

### **Mobsters Fleeing or Imprisoned as a Result of SCI Actions**

Immediately following its creation, the Commission began to subpoena individuals identified as leaders and members of organized crime in New Jersey to bring to public light a first-hand, detailed picture of organized crime's power structure, operations and money handling methods. The Commission's confrontations with organized criminals has been credited by law enforcement authorities with having a major disruptive effect on the structure and operations of organized crime in New Jersey due to the prolonged incarcerations and the flight from this state of several underworld operatives to avoid being served Commission subpoenas. Indeed, in a July 1976 report, "Migration of Organized Crime Figures From New Jersey Into Pennsylvania: A Case Study of Syndicated Gambling in Bucks County," the Pennsylvania Crime Commission (PCC) attributed the migration in part to the anti-crime activities of New Jersey's SCI. The PCC emphasized that "many persons considered members of organized crime operations in New Jersey are fearful of being subpoenaed by the New Jersey State Commission of Investigation."

The following mobsters either fled New Jersey to avoid Commission subpoenas, became fugitives from criminal contempt indictments, or were imprisoned for civil contempt for refusing to testify before the Commission, despite having received the limited immunity afforded by the Commission's implementing legislation:

**Gerardo Vito (Jerry) Catena**(head of New Jersey rackets for the organized crime family originally headed by Vito Genovese, a part of La Cosa Nostra — LCN) was imprisoned in March 1970 for contempt in refusing to answer Commission questions. The legality of his confinement was ultimately upheld by the United States Supreme Court.<sup>17</sup> In August 1975, Catena was released, the New Jersey Supreme Court having ruled that, for reasons peculiar only to the 73-year-old Catena, he had met his burden of proving that further confinement had lost its coercive impact and had become punitive.<sup>18</sup> At age 75 he "retired" to Florida.

After Vito Genovese was sentenced to federal prison in 1959 for a narcotics conspiracy (he died there in 1969), the Genovese family's leadership was entrusted to two longtime underbosses. One of these was Thomas Eboli of New York and Fort Lee, who was murdered in 1972. The other was Phillip Lombardo of New York. Under Lombardo, Catena ran the organization's New Jersey operations. Catena's prolonged incarceration weakened his effectiveness and led Alphonse (Funzi) Tieri to assume day-to-day command of the Genovese family under Lombardo.

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<sup>16</sup>Passaic County Prosecutor Ronald S. Fava successfully pushed for ordinances banning video gambling machines in Paterson, Passaic, Wayne, Clifton, Haledon, Prospect Park and West Paterson.

<sup>17</sup>*Elias v. Catena*, 406 U.S. 952, 92 S.Ct. 2056 (1972), reversing *United States ex rel. Catena v. Elias* 449 F.2d 40 (3d Cir. 1971). See *United States ex rel. Catena v. Elias*, 465 F.2d 765 (3d Cir. 1972).

<sup>18</sup>*Catena v. Seidl*, 68 N.J. 224 (1975). See *Catena v. Seidl*, 66 N.J. 32 (1974) and *Catena v. Seidl*, 65 N.J. 257 (1974).

**Alphonse (Funzi) Tieri** (street boss of the Genovese crime family under Phillip Lombardo) avoided a Commission subpoena by making only surreptitious and brief visits to New Jersey during the early 1970s. Relying in part on evidence revealed by the Commission at a February 1972 public hearing, a federal grand jury in Newark returned an indictment on February 23, 1973 against Tieri and several others. He was arrested and finally convicted on November 21, 1980. In January 1981, Tieri was sentenced to 20 years in prison but allowed to remain free on bail pending appeal. He died of natural causes in March 1981 while the appeal was pending.

**Anthony (Little Pussy) Russo** (a Genovese crime family rackets leader in Monmouth County) was imprisoned in January 1970 for contempt in refusing to answer Commission questions, even after having been given limited immunity. He was transferred to another state prison in March 1970 to serve out a sentence for perjury. In 1972, he also received a federal prison sentence for failure to file corporate income tax returns, based in part on evidence supplied by the Commission. Upon his release from federal prison in April 1973, Russo was returned to state confinement on the contempt citation. In April 1974, Russo was released when he relented and agreed to testify before the Commission. He was murdered in Long Branch on April 26, 1979.

**John (Johnny Coca Cola) Lardiere (Larducci)** (a Genovese crime family soldier and Business Agent for Teamsters Local 945 in the solid waste industry) was imprisoned in

August 1971 for contempt in refusing to answer Commission questions. In July 1972, Lardiere's wife was poisoned to death when she took a drink from a soft drink bottle which the medical examiner said contained enough arsenic to kill 50 people. On June 11, 1976, the Appellate Division upheld Lardiere's continued incarceration. The Superior Court signed an order on April 9, 1977 releasing him for an Easter furlough from 7:00 P.M. on April 9 to 9:00 P.M. on April 10. Lardiere was shot to death at about 2:00 P.M. on April 10 in the parking lot of a motel.

**John (Johnny D) DiGilio** (a waterfront rackets leader for the Genovese crime family) fled to Brooklyn to avoid a Commission subpoena. DiGilio eventually returned to New Jersey, and in April 1979 a state grand jury indicted him, among others, on loansharking conspiracy charges. After a long period of bizarre conduct including feigning mental incompetence, DiGilio was finally ruled mentally and physically competent to stand trial. He was convicted in October 1987 and released pending sentencing. DiGilio also served six months of a nine-month sentence for his role in the theft of his personal files from the FBI. In April 1988, DiGilio, who represented himself, was acquitted of federal waterfront extortion charges in a case in which a Genovese-controlled labor leader and a DiGilio criminal associate were convicted. DiGilio was shot to death in May 1988.

**Louis Anthony (Bobby) Manna** (operator of shylocking, bookmaking and numbers operations in the Hudson County Waterfront area for the Genovese

crime family) was imprisoned in July 1972 for contempt in refusing to answer Commission questions. The incarceration was upheld on appeal.<sup>19</sup> The Court finally ordered him released in April 1977.

At the behest of the Commission, the Superior Court in August 1978 denied Manna's petition to expunge from his criminal records a 1957 conviction (his only conviction at the time). The Appellate Division upheld the denial. Manna's attorney contended that Manna's refusal to be sworn and testify before the Commission could be considered an act of resistance to the power of the State similar to the defiance of Socrates, Christ, St. Thomas More and Thomas Paine. The trial judge responded: "As a matter of historical accuracy, the Court must note that each of the esteemed gentlemen to whom Petitioner has been likened by Counsel, chose to answer his accusers. Counsel's characterization of Petitioner's violation of U.S.C.A. 18:1951 & 371, racketeering and conspiracy to commit same, together with his subsequent refusal to appear before the SCI and answer questions relating to racketeering and organized crime within ... New Jersey is indicative of a lack of moral change or rectitude as required by [the expungement law], and as such the Prosecutor's objection to Petitioner's motion is a material one."

After his release from incarceration in 1977, Manna eventually became consigliere of the Genovese crime

family. He was convicted in federal court in June 1989 of ordering the murder of New York businessman Irwin Schiff, plotting the murder of Gambino crime family boss John Gotti and other racketeering. He was sentenced to 80 years in prison.

**Tino Fiumara** (a member of the Genovese crime family) fled to Florida to avoid a Commission subpoena. He eventually returned to New Jersey. On May 2, 1980, a federal jury in Manhattan found Fiumara guilty of racketeering at Ports Newark and Elizabeth. He was sentenced to 25 years in prison. Six other defendants, including three International Longshoremen Association officers and three henchmen of Alphonse Tieri in the Genovese mob, also were convicted. In October 1981, the United States Supreme Court refused to review the conviction. Fiumara already had been serving a 20-year sentence, imposed in 1978, for shaking down a Parsippany-Troy Hills restaurateur.

Fiumara was released from federal prison in February 1994 at the age of 52. His return to prominence in the Genovese organization may be hampered by federal parole conditions, which restrict his associations until June 17, 2004.

**Pasquale (Patty Mack) Macchiarole** (a member of the Genovese crime family) avoided a Commission subpoena by fleeing the state and making only surreptitious and brief visits to New Jersey during the early 1970s prior to his death.

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<sup>19</sup>In re Manna, 124 N.J. Super. 428 (App. Div.), cert. den. 64N.J. 158 (1973).

**Emilio (The Count) Delio** (a criminal associate of the Genovese crime family) fled to Florida to avoid a Commission subpoena in 1974. He became involved in gambling and loansharking in the Miami area. To the best of the Commission's knowledge, he has remained out of the state.

**Frank (Condi) Cocchiaro** (an organized crime figure operating in the Long Branch area) was indicted by a state grand jury for criminal contempt in 1969 after fleeing the hearing room, and New Jersey, following a decision by the United States Third Circuit Court of Appeals that he could be compelled to testify before the Commission. He lived as a fugitive in Florida under the assumed name of Frank Fagnotta until discovered in April 1972 as the result of a traffic accident. He was returned to New Jersey in June 1972. Later that month, he pled guilty to the criminal contempt charge and was sentenced to one year in prison. He was paroled in December 1972 after serving six months in prison and testified before the Commission in 1973. In March 1984, a federal grand jury in Tampa indicted Cocchiaro for participating in a racketeering plot. He died in federal prison of natural causes in November of 1985.

**Joseph Arthur (Bayonne Joe) Zicarelli** (rackets boss in Hudson County for the Bonanno organized crime family of La Cosa Nostra) was imprisoned in January 1970 for contempt in re-

fusing to answer Commission questions. Lengthy appeals up to the United States Supreme Court affirmed his continued incarceration.<sup>20</sup> In June 1971, Zicarelli was transferred to a different state prison after he was convicted for his role in a bribery scheme involving West New York Mayor John Armellino.<sup>21</sup> In July 1977, having been paroled from that sentence, Zicarelli was immediately returned to civil confinement pursuant to an Appellate Division ruling. His petition for release on the same grounds as Catena was denied on October 10, 1977, when the Court found that his resolve not to testify before the Commission had "not really been tested." In December 1977, Zicarelli was granted a medical furlough when he had to be hospitalized. He left the state and died in Florida on August 25, 1983 of natural causes.

**Angelo Bruno (Annaloro)** (boss of the Philadelphia-South Jersey organized crime family and a member of La Cosa Nostra's dispute-arbitrating "Commission") was imprisoned in October 1970 for contempt in refusing to answer Commission questions. This was the only incarceration Bruno ever experienced. After several brief releases from prison for medical reasons, the Superior Court in June 1973 ordered his indeterminate release for more extensive treatment. On January 12, 1977, the Court found that Bruno's medical condition was such that he should be returned to prison if he continued to refuse to testify. The

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<sup>20</sup>*In re Zicarelli, Occhipinti, Russo* 55 N.J. 249 (1970), *aff'd sub nom. Zicarelli v. New Jersey State Commission of Investigation* 406 U.S. 472, 92 S.Ct. 1670 (1972).

<sup>21</sup>That conviction was affirmed, *State v. Zicarelli*, 122 N.J. Super. 225 (App. Div. 1973), *certif. den.* 63 N.J. 252 (1973).

Appellate Division affirmed that decision and ordered Bruno reimprisoned. Faced with the certainty of re-incarceration, Bruno agreed on May 23, 1977 to purge himself of contempt.

Bruno began to testify at executive sessions of the Commission on June 16, 1977. On August 8, 1977, he testified at a public hearing on the incursion of organized crime into certain legitimate businesses on the periphery of legalized casino gambling in Atlantic City. Bruno was scheduled to continue his testimony on October 17, 1979, but his attorney notified the Commission that he had no knowledge of Bruno's whereabouts and was unable to contact him. Bruno subsequently was located and questioning resumed on October 31. However, that day's executive session was interrupted twice when the Commission was required to obtain back-to-back court orders compelling him to make responsive answers to questions. Bruno next appeared before the Commission on December 6, 1979, and finally on March 20, 1980. Further litigation over the Commission's subpoena of Bruno was pending when he was shot to death the next day, March 21, 1980.

**Anthony (Tony Bananas) Caponigro** (consigliere of the Bruno crime family) fled to Florida in 1970 to avoid a Commission subpoena. In late 1974, he returned to New Jersey. Federal authorities, who had alerted the Commission in advance, appeared at his house on New Year's Eve in order to serve him with a federal grand jury subpoena. A chase ensued, during which Caponigro's car sideswiped a

federal agent's car. He was captured and served at Millburn police headquarters with a Commission subpoena. When he completed a period of federal imprisonment in 1978, Caponigro testified a number of times before the Commission. The mutilated bodies of Caponigro and his brother-in-law, Alfred Salerno, were found in the South Bronx on April 18, 1980, less than a month after the murder of Angelo Bruno. They were killed for their involvement in Bruno's murder.

**John J. (Johnny Keys) Simone**(a Trenton-based member of the Bruno crime family and Angelo Bruno's cousin) fled to Florida to avoid a Commission subpoena. Originally from Trenton, Simone eventually returned to the area by moving to Yardley, Pennsylvania. He was found shot to death on Staten Island on September 19, 1980 in retaliation for his involvement in the murder of Angelo Bruno.

**Nicodemo Dominic (Little Nicky) Scarfo** (rackets leader in Atlantic City and eventually boss of the Bruno crime family) was imprisoned in June 1971 for contempt in refusing to answer Commission questions. Scarfo was released in July 1973 after agreeing to testify. In the summer of 1976, Scarfo refused to testify before a state grand jury that was looking into alleged intimidation of a state witness against Edward Helfant, the Somers Point Municipal Judge whom Scarfo later helped to murder in early 1978. Scarfo was imprisoned for contempt for about two weeks before agreeing to testify before the grand jury.

On October 10, 1980, Scarfo and two

associates were acquitted of murder in the slaying of Margate cement contractor Vincent Falcone on December 16, 1979. In April 1981, Scarfo was found guilty in federal court of illegal possession of a handgun. In July 1981, he was sentenced to a maximum of two years in prison and fined \$5,000. During a pre-sentence hearing, the FBI publicly confirmed Scarfo's ascendance to head of the Bruno organized crime family. He was freed on bail pending appeal.

In August 1982, Scarfo was imprisoned at a federal facility in Texas, despite his pending appeal, because he had violated bail conditions by associating with ex-convicts. Commission surveillance and photographs documenting Scarfo's ongoing criminal associations were utilized in this proceeding. A Commission special agent testified at the successful bail revocation proceedings. Robert C. Stewart, Attorney in Charge of the Federal Organized Crime Strike Force in Newark, wrote to the Commission that without the agent's efforts and testimony "Scarfo would still be at liberty." Scarfo was released in January 1984 after serving 18 months of the two-year term.

Scarfo was subsequently convicted in federal court in May 1987 of conspiracy and extortion in connection with an attempt to force a real estate developer to make a \$1 million payoff to him and a Philadelphia city councilman. He was sentenced to 14 years in prison. The Atlantic City Press noted that "ironically, on the day of the [Scarfo] guilty verdict, the State Commission of Investigation revealed that mob-controlled construction

companies have obtained more than \$2 million worth of work at casinos and public projects, including the Atlantic County Jail." Scarfo subsequently was sentenced to 10 years in prison and fined \$150,000.

In a letter to a Commission Special Agent who testified at Scarfo's federal trial, Acting FBI Director John E. Otto stated that the testimony "contributed significantly to the successful prosecution ...." Otto noted that the testimony "proved essential to linking Scarfo with" the councilman. He continued: "Deserving special mention are the photographs you so expertly took while conducting a surveillance of the councilman's summer home in Longport, New Jersey, which Scarfo visited. These excellent photographs constituted invaluable evidence that added substantially to your overall testimony and had a major impact on the conviction of the principal defendant. You have every right to take pride in your efforts which connected the two defendants in their attempt to extort money from the developer who was working on a billion-dollar river-front development project." Edward S.G. Dennis, Jr., the United States Attorney for the Eastern District of Pennsylvania, joined in this praise, writing that the SCI agent's "extra effort" provided the prosecution "with a crucial piece of evidence which contributed significantly to the convictions ...."

After the extortion convictions, a co-defendant of Scarfo's, Nicholas Caramandi, began to cooperate with prosecutors. He was later joined by Thomas DelGiorno, who was a Scarfo gang caporegime when he testified at

the Commission in 1985 during its investigation of mob infiltration of the boxing industry. (DelGiorno later became an informant, testifying while in the protective custody of the New Jersey State Police at criminal trials and the Commission's February 1992 public hearing on organized crime in bars.) As a result of Caramandi's and DelGiorno's cooperation, Scarfo and others in his crime organization were indicted on federal and Pennsylvania state charges involving several murders. Scarfo was convicted of the federal racketeering charges in November 1988 and was sentenced to 55 years in prison. On May 2, 1990, Scarfo was sentenced to life plus six more years on 1989 state murder, conspiracy and weapons convictions, to be served after completing the two federal prison terms that totaled 69 years. However, the state murder conviction was overturned on appeal in 1992. A retrial abides Scarfo's appeal that double jeopardy protections prevent another trial.

On November 3, 1986, a state grand jury indicted Scarfo and 11 of his top associates on charges of racketeering, loansharking and gambling. This case was eventually dismissed and the evidence turned over to federal authorities.

**Raffaello (Blackie) Napoli** (a Bruno crime family member in northern New Jersey) was imprisoned in June 1971 for contempt in refusing to answer Commission questions. On July 3, 1973, Napoli indicated that he had decided

to testify and was released. He changed his mind again, however, before testifying and was recommitted by the Court on July 26, 1973. Finally, the Court ordered him released in September 1977 after six years of incarceration. The New Jersey Supreme Court upheld the release order.<sup>22</sup>

Napoli served as a capo in the Bruno organization from 1980 to 1984. He was observed on several occasions in the early 1980s with four members of the organization who were murdered within seven months of each other.

On February 13, 1992, at the age of 77, Napoli pled guilty to a state grand jury charge of promoting gambling. As part of the plea agreement, the Attorney General's Office recommended that Napoli be sentenced to 364 days in county jail; however, in view of his age Napoli was sentenced to one year of probation and a \$500 fine.

**Raymond (Long John) Martorano** (a member of the Bruno crime family) had testified before the Commission in executive session, at a 1977 public hearing on organized crime incursion into legitimate businesses in Atlantic City, and at the 1980 public hearing on organized crime infiltration of dental care plans. He did not respond to an additional Commission subpoena, and in November 1981 the Superior Court issued a bench warrant for his arrest. Commission special agents

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<sup>22</sup>Napoli v. Eld, 76 N.J. 524 (1978).

executed the warrant at Martorano's Cherry Hill home in December 1981, and the Superior Court directed him to appear for questioning during 1982. In May 1982, he was found guilty in federal court of conspiracy and possession of illegal drugs with intent to distribute and was sentenced to 10 years in prison. A Commission special agent testified at the trial, and transcripts of Martorano's testimony before the Commission were also utilized. In June 1982, a state grand jury indicted Martorano for criminal contempt for failing to appear before the Commission.

In November 1982, a Philadelphia grand jury indicted Martorano and Albert Daidone, Vice President of Atlantic City's Local 54 of the Hotel and Restaurant Employees Union (who also testified at the Commission's public hearing on organized crime incursion into legitimate businesses in Atlantic City) for murder and conspiracy in the December 16, 1980 shooting death of John McCullough, President of Local 30 of the Roofers Union. Martorano and Daidone were convicted in 1984. Again, Commission special agents testified regarding their surveillances of both defendants. Although their convictions were overturned by an intermediate appeals court, they have remained incarcerated while the State unsuccessfully sought a reversal and while awaiting a pending retrial.

**Carl (Pappy) Ippolito** (a Trenton-based mobster) fled to the Morrisville-Bristol area of Pennsylvania and subsequently to Florida to avoid a Commission subpoena. He was finally successfully served with a subpoena in 1975 in his dentist's office in Trenton. After a lengthy court battle, the State Supreme Court ruled in 1978 that Ippolito did not have to answer certain specific questions without a grant of limited immunity.<sup>23</sup> He was granted the required immunity and ordered to appear before the Commission on May 5, 1978. However, Ippolito failed to appear and began living in Bucks County Pennsylvania. The Pennsylvania Crime Commission had revealed an extensive gambling network in Bucks County and identified Ippolito as one of its key promoters with close liaison to organized crime figures in Philadelphia and Mercer County, New Jersey.

After Ippolito failed to obey the order to testify in 1978, the Commission requested the Attorney General's Office to extradite and arrest him for contempt. A state grand jury indicted Ippolito for criminal contempt in June 1978, and a warrant for his arrest was issued and extradition proceedings were begun. He subsequently surrendered and was brought to trial in New Jersey Superior Court. He was convicted on June 25, 1980 for the contempt which occurred in 1978. On November 24, 1980, the 71-year-old

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<sup>23</sup>In re Ippolito, 75 N.J. 435 (1978).

Ippolito was fined \$5,000. The more stringent criminal contempt offense contained in 1979 amendments to the Commission's implementing legislation could not be used against Ippolito.

**Anthony (Tumac) Accetturo** (capo in charge of the New Jersey faction of the Lucchese organized crime family of La Cosa Nostra) fled to Florida in 1970 to avoid a Commission subpoena. In 1972, he was convicted of conspiracy and extortion in federal court in Florida. He was acquitted of another Florida extortion charge in 1972. In 1977, Accetturo was arrested on more extortion charges and pled guilty in July 1978.

Under distant supervision by Accetturo, his protégé, Michael Taccetta, continued the day-to-day operation of Lucchese criminal activity in New Jersey. Taccetta remained Accetturo's subordinate until sometime in 1987. That year, a 21-month federal narcotics and racketeering trial began against Accetturo, Taccetta and 18 of their operatives. The trial ended in 1988 with acquittals for all of the defendants. In September 1993,

Taccetta admitted conspiring to bribe a trial juror in the case. Accetturo's and Taccetta's once close relationship had deteriorated over the years into a power struggle that culminated in a murder contract being put on Accetturo's life. Accetturo later moved to North Carolina.

On August 31, 1989, the New Jersey Superior Court certified that Accetturo was a material witness in a state grand jury investigation in New Jersey. A North Carolina court had him taken into custody and returned to New Jersey. On September 12, 1989, the New Jersey Court ordered Accetturo to testify before the grand jury under a grant of limited immunity. He refused and on September 19, 1989 was ordered imprisoned until he purged himself of contempt. The Appellate Division upheld the order on June 27, 1990.<sup>24</sup> Accetturo spent 90 days in federal prison near Miami from June to September 1990 on a conviction resulting from a 1983 indictment, which charged that he falsely reported his income in 1975. He also was incarcerated in Florida between the entry of his guilty plea in that case in May 1990 and the June

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<sup>24</sup>Matter of Grand Jury re Accetturo 242 N.J. Super. 281 (App. Div. 1990). The New Jersey Supreme Court denied certification on December 20, 1990. The Appellate Division noted that "as a matter of due process," an evidentiary hearing on whether or not the contemnor's confinement will serve any coercive purpose "should without question be provided no later than the expiration of 18 months of incarceration, as that is the maximum sentence which a court may impose for criminal contempt under N.J.S.A. 2C:29-9a and N.J.S.A. 2C:43-6a(4)." This presupposes that the grand jury panel were to remain in session that long.

Similar reasoning would postpone a hearing for a person in contempt of a Commission subpoena to seven years from the date of incarceration, since the imprisonment allowed for criminal contempt of an SCI subpoena is that allowed for a crime of the second degree, which carries a presumptive sentence of seven years (and especially since the person imprisoned is not eligible for parole) N.J.S.A. 52:9M-17.1a, N.J.S.A. 2C:43-6a(2) and N.J.S.A. 2C:44-1f(1)(c). However, that would be an impossible standard for Commission contemnors because the Commission's implementing statute restricts incarceration for civil contempt to "a period of five years of actual incarceration exclusive of releases for whatever reason ..." N.J.S.A. 52:9M-17c(1).

25 sentencing, as well as for a March and April 1990 federal race-fixing trial, which ended when the judge decided that the government's case that Accetturo schemed to dope horses in Florida and Pennsylvania in the mid-1970s was too weak to go to a jury. An earlier trial of the 1980 race-fixing indictment had ended in a mistrial when a key government witness died of natural causes.

Following the Florida proceedings, Accetturo returned to incarceration in New Jersey on the contempt citation. On March 20, 1991, the Superior Court held that Accetturo (who court papers said "would choose death over testifying" and whose attorney had proclaimed, "Pigs will fly before he talks") had failed to carry his burden to establish that his confinement had lost its coercive effect and had become punitive. Accetturo finally relented and testified for about 90 minutes before the grand jury on April 23, 1991. The Court released Accetturo in May after 20 months of confinement, ruling over objections from the Attorney General's Office that it was satisfied his answers to the grand jury's questions had been "responsive" and not "evasive."

In April 1991, another state grand jury indicted Accetturo for racketeering, and he had to post \$1 million bail to remain free after his release from confinement for contempt of the first state grand jury. He was convicted of racketeering in August 1993, along with Michael Taccetta and others, and incarcerated pending sentencing. Shortly thereafter, Accetturo began to cooperate with the Attorney General's Office and remained in pro-

tective incarceration. On December 15, 1994, Accetturo was sentenced to 20 years in prison with at least 10 to be served before becoming eligible for parole. He was also fined \$400,000.

**Simone Rizzo (Sam the Plumber)**

**DeCavalcante** (head of New Jersey's only home-grown La Cosa Nostra organized crime family) was first subpoenaed to testify before the Commission on December 29, 1973. Pursuant to verbal continuances of the subpoena, DeCavalcante was ordered to appear before the Commission at least 17 times since then, but for various reasons, including his poor health, he appeared only seven times. DeCavalcante established residency in Florida in 1976 but traveled to New Jersey on many occasions. In 1979, he sought unsuccessfully to quash the subpoena. The Appellate Division affirmed the lower court's denial of DeCavalcante's application, noting: "The record does not demonstrate harassment or oppression. The continuances over the years have been requested by the Commission, by DeCavalcante and by counsel. DeCavalcante's poor health has been a factor in the prolonged proceedings." DeCavalcante continues to live in Florida.

**Robert (Basile) Occhipinti**

(a member of the DeCavalcante crime family) was indicted by a state grand jury for criminal contempt in 1969 after fleeing the Commission hearing room following a holding by the United States Third Circuit Court of Appeals that he could be compelled to testify before the Commission. On the application of Mercer County Prosecutor Vincent R.

Panaro, two Commission counsel were appointed special assistant prosecutors of Mercer County, without compensation, to try the case. Occhipinti ultimately returned to New Jersey and was indicted on three counts of perjury for lying to a state grand jury in 1977.

**Nicholas Joseph (Nicky) Russo**(a member of the Gambino organized crime family of La Cosa Nostra in charge of the Trenton area) was imprisoned in June 1971 for contempt in refusing to answer Commission questions. Russo was released in October 1973 when he agreed to testify. During an ambush on March 24, 1979, Russo's son, Michael, was shot to death and Russo himself was wounded in the arm (he refused to let doctors remove the bullet). Russo died in May 1985 of natural causes.

**Joseph Paterno** (a capo in the Gambino crime family) fled to Florida in February 1974 to avoid a Commission subpoena. On his first return visit to New Jersey, he was served with a Commission subpoena in October of 1978. Paterno unsuccessfully contested the validity of the subpoena in state appellate courts and testified before the Commission in 1979.

Paterno died in Florida on March 16, 1988.

**Frank (The Bear) Basto**(of Newark) fled to Florida to avoid a Commission subpoena. He was arrested in Florida by the FBI in 1974 on jewel robbery charges. Subsequently, he was convicted of charges involving a series of house burglaries in Essex County. Basto was also arrested along with Paterno in 1985 on charges of transporting a weapon from Florida for a planned homicide in New Jersey. Basto pled guilty and was sentenced to 10 years in prison. He was paroled on May 15, 1991 and presently resides in Belleville, New Jersey.

**Joseph (Demus) Covello**(of Belleville) fled to Florida to avoid a Commission subpoena. He became actively engaged in illegal gambling operations in southern Florida. He has not been active within the last two years due to advanced age and ill health, and he continues to reside in Florida.