

H 255-1.

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22-1-71

23

12/15

DEPARTMENT OF MANPOWER AND IMMIGRATION  
MINISTÈRE DE LA MAIN-D'OEUVRE ET DE L'IMMIGRATION~~SECRET~~SUBJECT CRIMINAL ORGANIZATIONS - GENERAL  
SUJET .....

SECRET

M. &amp; I. 1444 (8-76)

SECRET

TO À	FROM DE	DATE	P.A. OR T. CLASSER OU TRANSMETTRE	FROM DE	DATE	B.F. RECORD RENOYER LE DOSSIER	
						TO - À	DATE
						FEP	5-1-72 <sup>E</sup>
							(re 27/1/71)
						FEP	7-2-72 <sup>E</sup>
						FEP	11-4-72 <sup>E</sup>
H.D.	W.S.	9/8/72	PA	W.B.	21-9-72		
			PA	W.B.	19-10-72		
			PA	W.B.	6-2-73		
BAK	W.S.	14-3-73	T				
W.S.	W.B.	15-3-73	PA	W.B.	27-3-73		
			PA	W.B.	30-4-73		
			PA	W.B.	30-7-73		
			PA	W.B.	15-8-73		
			PA	H.B.	23-8-74	JFK	20/11/74 <sup>E</sup>
ZAB	W.B.	12-3-75	PA	H.B.	12-3-75		
W.B.	W.B.	2-4-75	PA	H.B.	2-4-75		
			PA	H.B.	14-4-75		
			PA	H.B.	4-7-75		
			PA	H.B.	8-9-75		
			PA	H.B.	2-10-75		
			PA	H.B.	9-10-75		
			PA	W.B.	14-2-76	W.S.	4-4-76 <sup>E</sup>

IMPORTANT - IF THIS FILE IS ROUTED TO ANOTHER OFFICE OR PERSON, COMPLETE TRANSFER SLIP AND SEND TO YOUR RECORDS UNIT.

SI CE DOSSIER EST ADRESSÉ À UN AUTRE BUREAU OU UNE AUTRE PERSONNE, REMPLISSEZ UNE FICHE DE TRANSFERT ET ENVOYEZ-LA À LA SECTION DES DOSSIERS.

H 255-1

4

22-1-71

12/15

## FILE USERS

**RECORDS MANAGEMENT** is established to serve you and satisfactory service is largely dependent upon your prompt return of this file. This file is charged to you and you are responsible for its return, unless you notify your **RECORDS UNIT** to transfer the file to another branch or person, the file remains charged to you until it is returned.

### INSTRUCTIONS FOR USE OF FILE COVER

- Column 1 – To indicate where file is to be routed.
- Column 2 – To indicate where file is routed from.
- Column 3 – To indicate date file routed.
- Column 4 – To indicate P.A. or Transfer of file.
- Column 5 – For user, initials or designation to show action complete.
- Column 6 – To indicate date file returned to Records.
- Column 7 – To indicate user requesting file B.F. at later date.
- Column 8 – To indicate date file to be brought forward.

### REMINDERS

- DON'T** – retain file longer than is absolutely necessary.
- DON'T** – hide files in your desk or in filing cabinets in your office where in your absence, they may be inaccessible.
- DON'T** – place correspondence dealing with more than one subject on a file unless extra copies have been made for relevant files.
- DON'T** – leave files on the floor, window sills or waste baskets – this practice often results in loss or damage.
- DON'T** – change file caption or in any way mutilate file jackets.
- DON'T** – overload "GENERAL FILES". It is difficult to find previous correspondence on a general file.
- DON'T** – remove correspondence from this file without consulting your Records Unit.

## AUX USAGERS DU DOSSIER

**LA GESTION DES DOSSIERS** existe pour vous servir et elle s'acquitte bien de cette fonction dans la mesure où vous renvoyez promptement le dossier. Ce dossier vous est confié et il vous appartient de le renvoyer à son expéditeur, à moins que vous ne donniez instruction à votre **SECTION DES DOSSIERS** de le transmettre à une autre Direction ou une autre personne; sans cela, le dossier demeure sous votre responsabilité jusqu'à son retour à l'expéditeur.

### EXPLICATIONS RELATIVES AUX INDICATIONS À PORTER SUR LA CHEMISE

- Colonne 1 – nom du destinataire
- Colonne 2 – nom de l'expéditeur
- Colonne 3 – date de l'envoi
- Colonne 4 – indication de classer le dossier ou de le transmettre à une autre personne
- Colonne 5 – initiales de l'utilisateur du dossier ou indication que les mesures voulues ont été prises
- Colonne 6 – date de renvoi du dossier
- Colonne 7 – demande de renvoi du dossier à l'utilisateur à une date indiquée
- Colonne 8 – date où le dossier doit être renvoyé

### RAPPELS

- NE PAS** – retenir le dossier plus longtemps que nécessaire;
- NE PAS** – mettre les dossiers hors de vue dans votre bureau ou dans vos classeurs s'il y a ris que qu'on ne puisse les trouver en votre absence;
- NE PAS** – mettre la correspondance sur plus d'un sujet dans un seul dossier à moins d'avoir fait faire des copies supplémentaires pour les dossiers en question;
- NE PAS** – laisser les dossiers sur le parquet, les appuis de fenêtre, ou les corbeilles à papiers; une telle pratique entraîne souvent la perte ou l'endommagement des dossiers;
- NE PAS** – changer l'intitulé du dossier ni mutiler la chemise de quelque façon;
- NE PAS** – surcharger les "dossier généraux"; il est difficile de trouver la correspondance antérieure dans un dossier général;
- NE PAS** – enlever de correspondance du dossier sans consulter la Section des dossiers.

CROSS REFERENCES RÉFÉRENCES CROISÉES
<div style="background-color: black; width: 100%; height: 100%;"></div>

FILE SCHEDULE HISTOIRE DU DOSSIER	YEARS ANNEES
ACTIVE ACTIF	
STORAGE EN ENTREPOSAGE	
SCREENING AU TRI	
COMPLETE DESTRUCTION ENTIÈREMENT DÉTRUIT	
TO PUBLIC ARCHIVES REC- ORDS CENTRE - ENVOYÉ AU CENTRE DES ARCHIVES PUBLIQUES	
AUTHORITY - T.B. - TRANSMIS AU CONSEIL DU TRÉSOR	

s.19(1)

000542



FILE No.

**11H 255-1**

M. & 1. 155

**Vol. 4**

SUBJECT

**CRIMINAL ORGANIZATIONS - GENERAL**

**SECRET**

OUT

IN

TO	INITIALS	DATE	INITIALS	DATE
W.S.	<i>[Signature]</i>	18/10/71	IL	20/10/71
F.R.P.	IL	5/1/72	IL	5/1/72
F.R.P.	IL	7/1/72	IL	13/3/72
W.S.	<i>[Signature]</i>	4/4/72	<i>[Signature]</i>	12/4/72
F.R.P.	<i>[Signature]</i>	20/4/72	<i>[Signature]</i>	21-4-72
W.S.	<i>[Signature]</i>	9/8/72	IL	19/9/72
H.B.	<i>[Signature]</i>	20/9/72	IL	21/9/72
H.B.	<i>[Signature]</i>	10/10/72	IL	19/10/72
H.Q.	<i>[Signature]</i>	27/1/73	IL	6/2/73
NSF	IL	23/2/73	IL	28/2/73
H.B.	IL	27/4/73	B.C.	30/4/73
H.B.	IL	30-7-73	IL	30/7/73
H.B.	IL	12/7/74	IL	23/7/74
H.B.	IL	23/10/74	IL	1/11/74
H.B.	IL	24-1-75	IL	24/1/75
H.B.	<i>[Signature]</i>	12-3-75	<i>[Signature]</i>	13-3-75
H.B.	<i>[Signature]</i>	2-4-75	<i>[Signature]</i>	3-4-75
H.B.	IL	8/4/75		
R.M.A.	IL	9/4/75	<i>[Signature]</i>	14-4-75
H.B.	IL	2/7/75	IL	3/7/75
H.B.	<i>[Signature]</i>	4-7-75	IL	4/7/75
H.B.	<i>[Signature]</i>	22-7-75	IL	8/9/75
H.B.	<i>[Signature]</i>	2-10-75	<i>[Signature]</i>	2-10-75
H.B.	<i>[Signature]</i>	9-10-75	IL	9/10/75
H.B.	IL	15/12/75		
F.R.P.	IL	15/12/75		
W.S.	<i>[Signature]</i>	16/12/75	IL	12/12/75
V.W.	IL	19/12/75	IL	19/12/75

000544

FILE No IH255-1 - Vol.4

SUBJECT ..... CRIMINAL ORGANIZATIONS - GENERAL .....

OUT

IN

[illegible]

# **CLOSED VOLUME VOLUME COMPLET**



**DATED FROM 22 JANUARY 1971  
À COMPTER DU**

**TO 23 DECEMBER 1975  
JUSQU' AU**

**AFFIX TO TOP OF FILE — À METTRE SUR LE DOSSIER**

**DO NOT ADD ANY MORE PAPERS — NE PAS AJOUTER DE DOCUMENTS**

**FOR SUBSEQUENT CORRESPONDENCE SEE — POUR CORRESPONDANCE ULTÉRIEURE VOIR**

**FILE NO. — DOSSIER N°**

IH255-1

**VOLUME**

5

CONFIDENTIAL

A/Director General,  
Facilitation, Enforcement and  
Control Branch.

IH255-1

Dec. 23, 1975.

A/Director, Enforcement Research  
and Analysis Division.

Landed Immigrants and Non-Immigrants  
with histories of Criminal Association.

1. As requested, I am enclosing brief commentaries on 11 cases which I hope will be of assistance in your discussions with Justice representatives this afternoon.
2. Five of this group are landed immigrants, six are citizens of the U.S.A. who have been known to enter Canada as visitors.
3. If additional reviews of this kind are needed, please let me know. There are no shortages of candidates, particularly in the non-immigrant category.

ORIGINAL SIGNED BY  
W. SOROKAN

enc.



Manpower  
and Immigration

Main-d'œuvre  
et Immigration

## Memorandum · Note de service

C  
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TO  
POUR

A/Director General,  
Facilitation, Enforcement and  
Control Branch.

Your File  
Votre référence

Our File  
Notre référence IH255-1

Date Dec. 23, 1975.

FROM  
ORIGINE

A/Director, Enforcement Research  
and Analysis Division.

SUBJECT  
OBJET

Landed Immigrants and Non-Immigrants  
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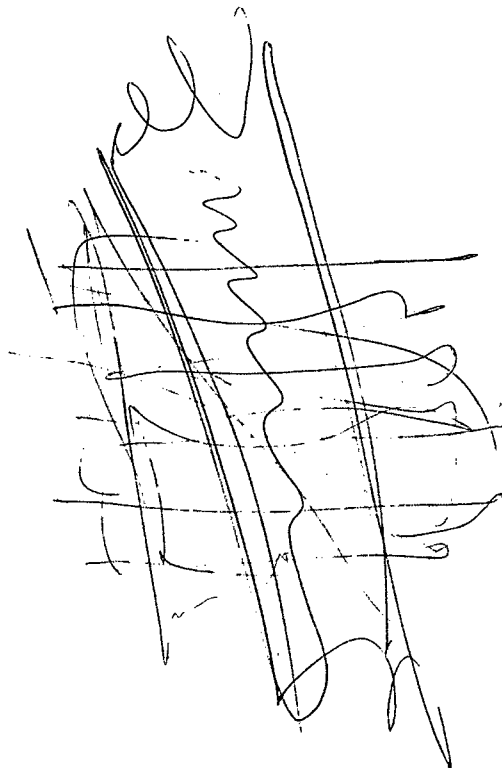
enc.

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**Pages 549 to / à 572**  
**are withheld pursuant to section**  
**sont retenues en vertu de l'article**

**19(1)**

**of the Access to Information Act**  
**de la Loi sur l'accès à l'information**



**Page 574**

**is withheld pursuant to section  
est retenue en vertu de l'article**

**19(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

IMM/FEC  
SOROKAN/sm

Field Intelligence Officer,  
Calgary.

IH255-1

A/Director, Enforcement Research  
and Analysis Division, Ottawa.

Dec. 16, 1975.



1. Your report dated December 11, 1975 was read with interest.  
We have not seen this material before.

2. Unless we can identify some of the "gang" members as being  
nationals of other countries, we do not appear to have any reason to  
pursue this investigation any further at the moment.

A handwritten signature in cursive script, likely belonging to a senior official.

c.c. Regional Intelligence Officer, Winnipeg.

s.19(1)



Government of Canada  
Gouvernement du Canada

MEMORANDUM

NOTE DE SERVICE

TO  
À

DIRECTOR, INTELLIGENCE DIVISION  
OTTAWA, Ontario

RECEIVED

DEC 15 1975

INTELLIGENCE DIVISION  
OTTAWA

FROM  
DE

Field Intelligence Officer  
Prairie Region,  
CALGARY, Alberta

SECURITY - CLASSIFICATION - DE SÉCURITÉ

C O N F I D E N T I A L

OUR FILE - N/RÉFÉRENCE

IH 600-CL-13

YOUR FILE - V/RÉFÉRENCE

DATE  
December 11th, 1975

SUBJECT  
OBJET

s.19(1)

Forwarded herewith is a report on the noted organization, originating with the U.S. Postal Inspection Service, Los Angeles, Cal., and received from Canadian Postal Investigation office in Calgary. This report was compiled in 1973, updated in 1974, and according to U.S. Officials, it is still considered to be current.

The majority of the group are said to be Canadian Citizens. Addresses of the suspects shown in the table of contents is not known.

Because the report has been in existence since 1973, it is assumed it has already been submitted. If not, may I be advised so that I can pursue the matter further.

T. J. Kehoe

cc: R.I.O. Winnipeg

Attach:

000576

**Pages 577 to / à 592**  
**are withheld pursuant to sections**  
**sont retenues en vertu des articles**

**13(1)(a), 19(1)**

**of the Access to Information Act**  
**de la Loi sur l'accès à l'information**

# Criminals tried to give funds to B.C. parties

VANCOUVER — (CP) —  
John Hogarth, chairman of the  
British Columbia Police Com-  
mission, says organized crime  
has tried unsuccessfully to be-  
come involved in the Dec. 11  
provincial election campaign.

In an interview yesterday,  
Hogarth said representatives of  
organized crime have tried to  
put money into the campaign  
but to his know- ledge they  
have been unsuccessful so far.

He said criminals with vast  
amounts of money have tried to  
contribute to the campaigns of  
all the parties, but party offi-  
cials have been warned and  
have refused the funds.

MONTREAL GAZETTE -- 4 DECEMBER 1975

## *Land deals set off raids*

MUC Police fraud squad officers visited the home and offices of Montreal lawyer Maurice Hebert yesterday in an investigation into a series of land dealings in the Eastern Townships.

"The police were very polite and had a warrant. I assisted them in their search for documents related to their case," Hebert said last night.

Police said their investigation was in connection with the possible defrauding of a Banque Canadienne nationale branch at 3690 Wellington St. in Verdun for \$60,000.

A police spokesman said eight raids had been made since Tuesday in connection with the land dealings in Eastern and Val Orford between Jan. 1 and Dec. 2, 1975.

Sought in the raids were records of three companies, including minutes of meetings, titles, deeds, cheques, bank statements, contracts, share certificates, memos, financial statements, and stock inventory.

A police spokesman identified the three companies as SRJ Consultants, 505 Administration and Domaine Val Orford.

Eight search warrants were served in Nuns' Island, St. Genevieve, Verdun, Chateauguay, Eastman and Montreal.

Eddie Pearson, a private investigator, and Hebert's associate, Lucien Proulx, had their homes and offices raided.

Police also visited the home of ex-RCMP Constable Robert Samson awaiting trial on a charge arising out of the bombing of the Town of Mount Royal home of Steinbergs' president Mel Dobrin.

TO: Chief, Intelligence & Security  
Home Branch, OTTAWA

Please find attached .... newspaper  
clippings which you may find of some  
interest.

Thursday, 16 October 1975

From: District Intelligence Office  
TORONTO DISTRICT

The Toronto Sun, Thursday October 16, 1975 5

# Big numbers bust, first ever in Metro

By MARK BONOKOSKI  
Staff Writer

Metro's vice squad claims  
it has bumped off its first  
major numbers racket — an  
indication to police that the  
Mafia-run Big Game of the  
Little People in the U.S. is  
moving across the border.

Yearly, the racket feeds  
billions of dollars into the  
underworld's drug traf-  
ficking and loan-sharking

operations in the U.S. . . .  
Sgts. Douglas Dennison  
and Bill Liga led three other  
plainclothes vice officers on  
a raid of a Jane Street house  
where betting 'was under'  
way which took in action  
totalling \$40,000 weekly,  
police say.

After making three arrests  
for alleged bookmaking  
offences, the police manned  
the phones and in 20 minutes  
took \$1,100 in bets from 16  
calls.

Seized were pay-off sheets  
indicating 55 regular bettors  
were laying money on the  
World Series, Canadian and  
NFL football, NHL hockey  
and horseracing.

Staff Supt. James Morgan,  
whose vice squad was ex-  
panded by eight men at the  
request of Police Chief  
Harold Adamson, said  
several thousand blank  
forms, used in the numbers  
racket, were also seized.

The mechanics are as  
follows: A bettor will phone  
in his \$1 bet, attempting to  
guess the last three digits in  
the total mutuel betting pool  
at Woodbine racetrack. The  
payoff is 300 to 1, 50 to 1 if the

bettor has the last two digits  
correct.

Morgan said the raid went  
off cleanly, although there  
was an attempt to bar the  
front door of the house. One  
suspect, he said, attempted  
to escape through a second-  
storey window where he was  
heaving betting slips on to  
Jane Street.

Morgan, whose vice squad  
has made 65 bookmaking  
arrests since February, said  
the numbers racket, fronted  
by organized crime in the  
States, is "definitely" trying  
to move into Toronto.

"This is the first numbers  
racket we've found," said  
Morgan. "But there are  
others. When we find them —  
which we will — we'll knock  
them right out of the box."

"It's a dirty business,"  
said Morgan. "They call it  
the Big Game of the Little  
People, but in the States  
they're (organized crime)  
turning those quarters and  
dollar bills into billions."

"It winds up in the pockets  
of the Mafia. When big debts  
occur, people turn to 6-for-5  
loan sharks."

"When the loan sharks

can't collect, they turn to the  
muscle people.

"And they'll collect," said  
Morgan, "even if it means  
breaking bones, arms and  
legs, or blowing out a piece  
of the guy's home."

Much of the money off the  
top, said Morgan, is invested  
by the Mafia in legitimate  
business or filtered into drug  
trafficking.

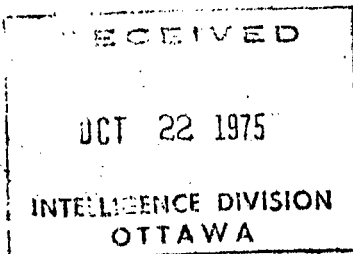
The way to stop it, said  
Morgan, is to introduce  
government controlled  
betting.

"Instead of hoodlums and  
gangsters raking in all this  
money," said Morgan, "the  
government could be taking  
the money off the top and  
putting it into helping the  
poor, the senior citizens and  
charity groups."

Morgan said there was "n-  
such thing as unorganized  
bookmaking."

"It's a network where  
bookies get their odds from  
across the U.S., laying out  
certain bets where the risk  
are great."

"It's big business and  
we're going to crack  
before it gets organized in  
Toronto."



**CONFIDENTIAL**

s.19(1)



Government  
of Canada

Gouvernement  
du Canada

**MEMORANDUM**

**NOTE DE SERVICE**

COPY PLACED ON: HQ4-49202 (26-11-75 IL)

TO  
A

Director  
Intelligence and Security  
Home Branch, OTTAWA

RECEIVED

OCT 8 1975

INTELLIGENCE DIVISION  
OTTAWA

FROM  
DE

District Intelligence Officer  
TORONTO DISTRICT

SECURITY - CLASSIFICATION - DE SÉCURITÉ

OUR FILE - N/RÉFÉRENCE

IH200-TD-1

YOUR FILE - V/RÉFÉRENCE

IH255-1

DATE

30 September 1975

SUBJECT  
OBJET

PROHIBITED PERSONS

Information

1.

2.

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Comments

000596

Director, Intelligence  
Home Branch, OTTAWA

- 2 -

IH200-TD-1  
30 September 1975

This case has been referred to the Central Enforcement Unit for appropriate action.



George P. Best

Sources

Paragraph 1 - [REDACTED]

Paragraph 2 - Toronto District [REDACTED]

Paragraph 3 - [REDACTED] O.P.P.

Paragraph 4 - Toronto Licencing Commission

Paragraph 5 - CPIC

Paragraph 6 - [REDACTED]

cc RIO - Ontario

s.19(1)



Government  
of Canada

Gouvernement  
du Canada

MEMORANDUM

NOTE DE SERVICE

TO  
A

Director, Intelligence and Security  
Home Branch, OTTAWA

FROM  
DE

District Intelligence Officer  
TORONTO DISTRICT

RECEIVED

OCT 1 1975

INTELLIGENCE DIVISION  
OTTAWA

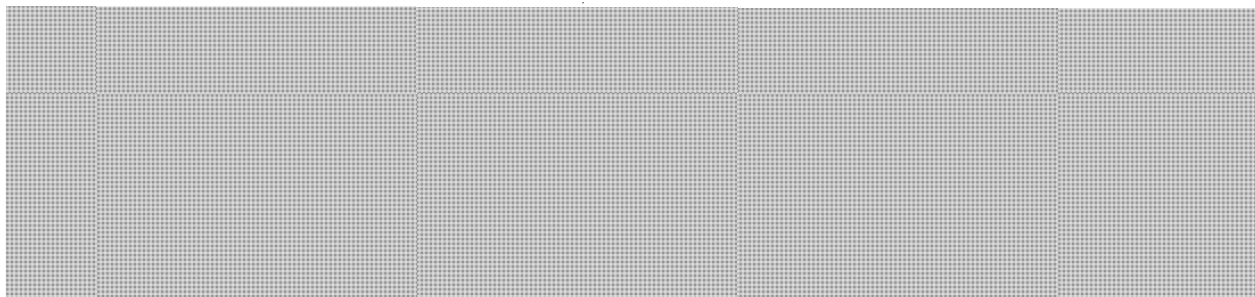
SECURITY CLASSIFICATION	
OUR FILE - N/REFERENCE	TH25-TD-1
YOUR FILE - V/REFERENCE	4-46167
DATE	4-46168 24 September 1975

SUBJECT  
OBJET

CRIMINAL ORGANIZATIONS - GENERAL

This is further to our report dated the 18 September, 1975.

Information:



Comments:



*George P. Best*

George P. Best

CC to: RIO - Ontario  
3298-2-5837 - Toronto District File

Sources:

Paragraph 1 and 2 - [redacted] O.P.P., Intelligence Unit, Toronto.

s.19(1)

000598

TORONTO STAR 30-9-75

# Is the Mafia big in Canadian crime? Even police aren't sure

organized crime, which has drawn recruits from every ethnic group. Still, in any review of organized crime, the term "Mafia" deserves examination.

Ironically, the name comes from a word, "mafia," which means a philosophy of life, a stern moral code, prevailing for generations among Sicilians. It means defending dignity, keeping secrets, and being always wary of the law. It means siding with friends and fighting common enemies — even when the friends are wrong and the enemies right. It means being oneself with pride.

From this machismo code, Mafia took its name.

It began in Sicily, in 1850, when peasant laborers rebelled against land barons, and the barons hired enforcers to protect their property. Within two decades, the enforcers or Mafiosi were stronger than their employers.

By the 1880s, Mafia members were branching out into Italy, while others immigrated to the

United States and resumed their illegal strong-arm tactics under a new name: the Black Hand.

The Sicilians soon started calling their gangs and local mobsters.

But it wasn't until the '20s that the American Mafia gained its notoriety — and vast financial power — with the billions of dollars made from bootleg liquor during Prohibition.

At the same time, in Italy, Benito Mussolini began establishing his Fascist party, and between 1927 and 1930 almost completely eliminated the Mafia.

But the Mafia received considerable help from local Mafia members in payment for their help, the installed Mafia families in key political positions at the war, thus giving the Sicilian Mafia its present power.

In both Sicily and North America, however, the Mafia has remained a collection of independent groups known as borgatas or fami-

lies. While inter-related, the families are more a loose confederation than an organization.

Authorities estimate there are a minimum of 5,000 hardcore Cosa Nostra members and perhaps as many as 50,000 associates belonging to the families, with a 25th family operating in Montreal.

Each family is structured so that even the death of the boss would not destroy it. And, as organized crime moves more and more into the sophisticated and without areas of legitimate business, the Mafia's Cosa Nostra membership of sending their sons to university and learning business administration.

It is estimated that the organized crime industry in 1974 was worth \$1.5 billion a year. Its annual income, in fact, is greater than that of General Motors, Standard Oil, Ford, General Electric and U.S. Steel combined.

One top U.S. police official estimates the Cosa Nostra's total net

worth in North America at \$150 billion.

Canadian police experts differ as to Cosa Nostra control in Canada. Some swear it is firmly entrenched, others that it holds only loose connections of power.

It is known, however, that for decades until his death last year, Stefano Magaddino, a portly old don from Buffalo, ran the Cosa Nostra territory from western New York into the Ohio valley — plus Toronto and parts of Quebec. Members of his family, in fact, were in Toronto 50 years ago.

Starting with rum-running during Prohibition, Magaddino never forgave Joe Bonanno for pushing into his turf million gallons of bootlegging inter-family whisky was sent to the U.S.). Magaddino stepped back from drug-trafficking, and during World War II moved heavily into black marketeering, gambling and receiving stolen goods.

But Magaddino's cousin, the infamous Brooklyn boss Joe (Bananan) Bonanno, had for decades worked in partnership with a group

of Montreal Mafiosi, sharing in the importation of untaxed alcohol, gambling, the protection racket, and control of the pizza trade.

Disinherited in the late 1950s, Bonanno decided to expand out of Brooklyn into Montreal full-time, and moved there with at least five of his top lieutenants. In 1963, Bonanno even applied unsuccessfully for Canadian citizenship. Bonanno and his boys eventually were deported to the U.S., but during their sojourn in Montreal they managed to establish a new family there.

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Magaddino never forgave Joe Bonanno for pushing into his turf million gallons of bootlegging inter-family whisky was sent to the U.S.). Magaddino stepped back from drug-trafficking, and during World War II moved heavily into black marketeering, gambling and receiving stolen goods.

But Magaddino's cousin, the infamous Brooklyn boss Joe (Bananan) Bonanno, had for decades worked in partnership with a group

"But in Ontario, the Buffalo influence is still strong, and continues strong, and Magaddino's people — whose leadership is presently up for grabs — are still here."

The investigator and numerous other police officials say the main Magaddino members in Ontario are based in Hamilton, Toronto and Guelph.

But, as one top Toronto police official says, "Although police forces have been able to infiltrate all political subversive groups, we've never been able to infiltrate the Mafia. The only two ways to get at them are to infiltrate or get a defector. And because of the structure of the organization, both ways are almost impossible."

"Even if we did get someone to inform, the guy would undoubtedly soon be dead."

**WEDNESDAY:** How organized crime moves into legitimate businesses.

sion. It is also a symptom of spread and intense. Franco's has its supporters. But the workers, the young, the middlements of the army—feel that Franco's governing are a burden they can

There is, thus, every reason against Franco's regime of the executioner's gun. It was a wave in the mid-thirties, and it is an evil blotch on the post-war European

Nevertheless, the violent past 72 hours is not easy to justify against the death penalty. It is not easy to understand. But it is not governments decided to recall Madrid, they were guided by the abhorrence of the Franco regime the capital punishment. If it could—and should—have spoken in the past three decades.

## Target practice

At the latest count, eight will be in the running for the United States next year, plus the cans.

There must be some attraction apart from the thrill of being weeks.

BEST AVAILABLE COPY

## INTER-OFFICE MEMOGRAM

## MESSAGE INTERBUREAUX

TO/A

Regional Intelligence Officer

On io Region

FROM/DE

Director

Immigration Intelligence

Ottawa, Ont

FILE NO. - ORIGINATOR

RÉF. - EXPÉDITEUR

IH255-1

FILE NO. - ADDRESSEE

RÉF. - DESTINATAIRE

H 300-C-445

SUBJECT

SUJET

CRIMINAL ORGANIZATIONS

TECHNER, Seymour

MESSAGE

Please find attached hereto as per your request dated 15 July 1975, check of our indicies and landing records. Possibilities are included.

DATE: 8-8-75

SIGNATURE: *J. Beulthuis*

REPLY/RÉPONSE

DATE:

SIGNATURE:

## INTER-OFFICE MEMOGRAM

## MESSAGE INTERBUREAUX

FROM/DE

TO/A

FILE NO. - ORIGINATOR  
RÉF. - EXPÉDITEURFILE NO. - ADDRESSEE  
RÉF. - DESTINATAIRESUBJECT  
SUJET

MESSAGE

DATE:

20-8-75

SIGNATURE:

REPLY/RÉPONSE

DATE:

SIGNATURE:

s.19(1)

(a)

*too many*

(b)

(c)

(d)

(e)

(f)

(g)

(h)

(i)

(j)

(k)

(l)

continued/...



52-60

**Page 605**

**is withheld pursuant to section  
est retenue en vertu de l'article**

**19(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

s.19(1)

11/02/75

ALPHA INDEX LIST

1967 - 1974

PAGE 1738

NAME

ENTRY  
PORT

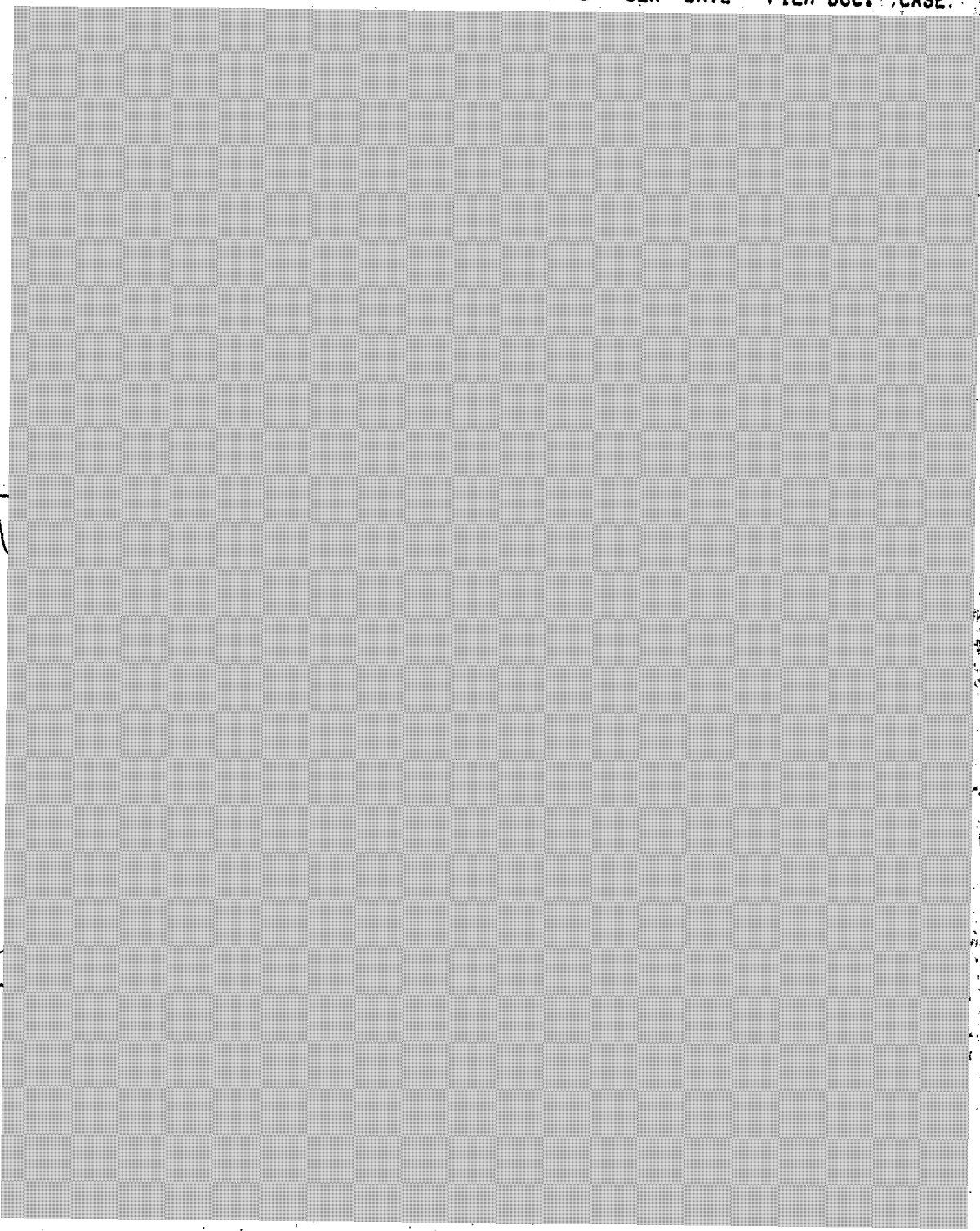
ENTRY  
DATE

SEX

BIRTH  
DATE

REFERENCE  
FILM DOC.

TYPE OF  
CASE



1967 to 1974/

s.19(1)

1 0857

52-66

**Page 608**

**is withheld pursuant to section  
est retenue en vertu de l'article**

**19(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

## INTER-OFFICE MEMOGRAM

TO/A

Records of Entry

FROM/DE

Marg 307

FILE NO. - ORIGINATOR  
RÉF. - EXPÉDITEUR

H.B.

FILE NO. - ADDRESSEE  
RÉF. - DESTINATAIRE

SUBJECT

SUJET

MESSAGE

Landing Records Check Please 1952 to Date

Please process the attached list  
A.S.A.P.

DATE: 20-8-75 SIGNATURE:

M.O.S.

REPLY/RÉPONSE

DATE:

SIGNATURE:

 Government of Canada  
Gouvernement du Canada

MEMORANDUM

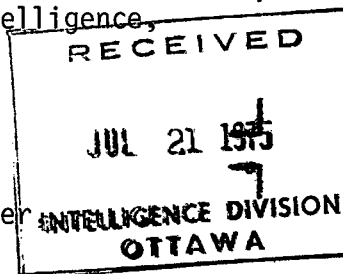
NOTE DE SERVICE

TO  
À

A/Director, Immigration Intelligence,  
OTTAWA, Ontario.

FROM  
DE

Regional Intelligence Officer,  
Ontario Region.



SECURITY - CLASSIFICATION - DE SÉCURITÉ
<b>CONFIDENTIAL</b>
OUR FILE - N/RÉFÉRENCE IH600-C-445
YOUR FILE - V/RÉFÉRENCE IH255-1 24-6-75
DATE 15 July 1975 ✓

SUBJECT  
OBJET

CRIMINAL ORGANIZATIONS - GENERAL  
- DOB

(1)

(2)

s.19(1)

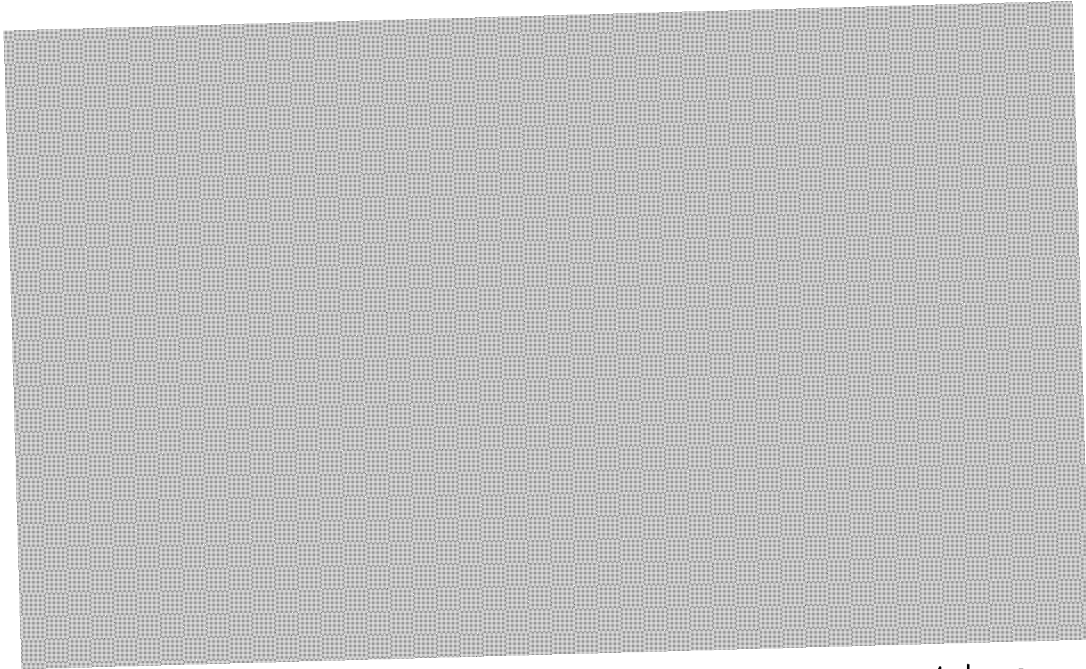
continued/... 000610

**CONFIDENTIAL**

A/Director,  
Immigration Intelligence,  
OTTAWA

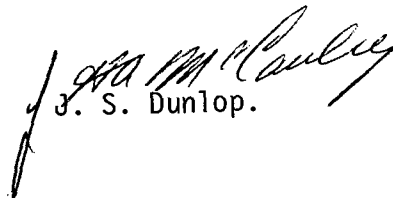
- 2 -

IH600-C-445  
IH255-1  
15 July 1975



(3) As previously mentioned these individuals may or may not have Canadian status, but no doubt some may frequently visit Canada for business reasons. A search therefore would be appreciated.

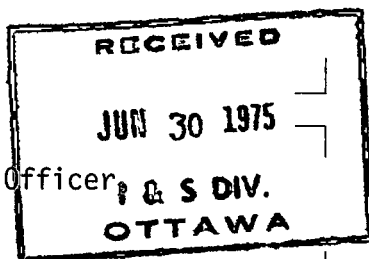
s.19(1)

  
J. S. Dunlop.

Government  
of CanadaGouvernement  
du Canada

## MEMORANDUM

## NOTE DE SERVICE

TO  
ÀA/Director, Immigration Intelligence,  
OTTAWA, Ontario.FROM  
DERegional Intelligence Officer, I & S DIV.  
Ontario Region.SUBJECT  
OBJETCRIMINAL ORGANIZATIONS - GENERAL  
DOB

SECURITY - CLASSIFICATION - DE SÉCURITÉ

CONFIDENTIAL

OUR FILE - N/RÉFÉRENCE

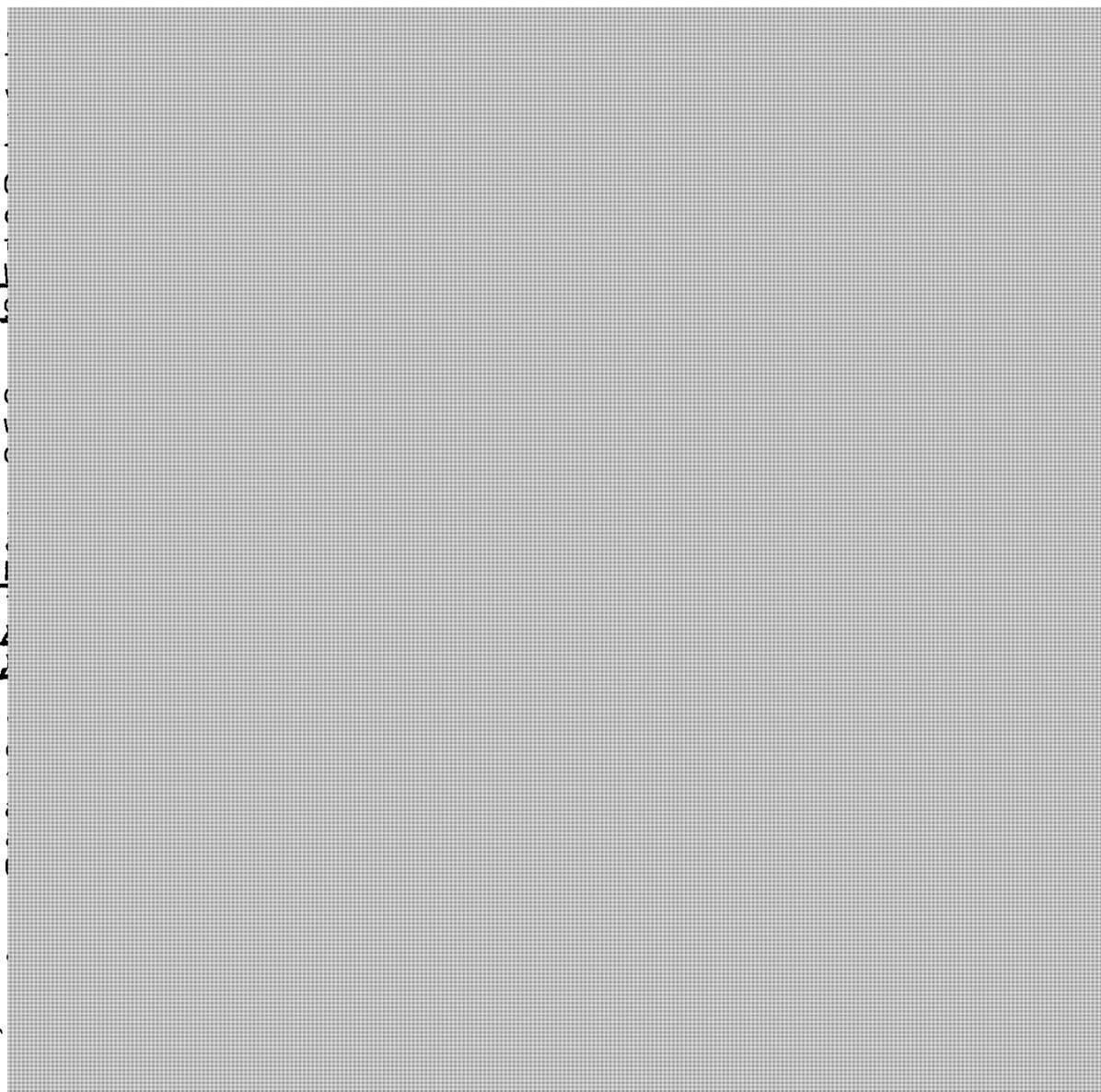
IH600-C-445

YOUR FILE - V/RÉFÉRENCE

IH255-1

DATE

24 June 1975

INFORMATION

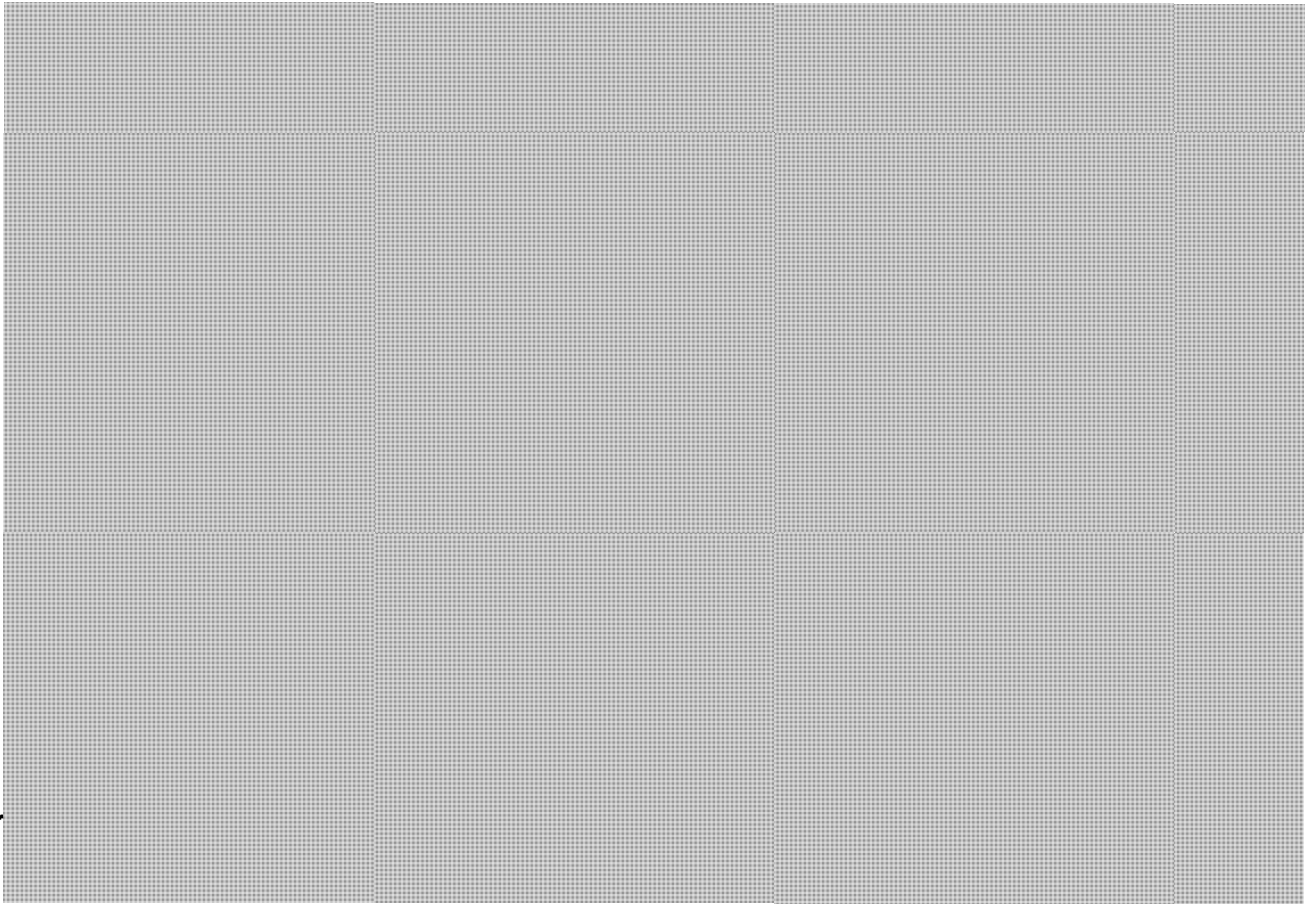
continued/...

000612

A/Director,  
Immigration Intelligence,  
OTTAWA.

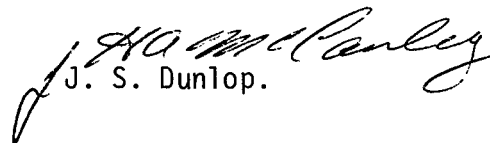
- 2 -

CONFIDENTIAL  
IH600-C-445  
IH255-1  
24 June 1975



INVESTIGATORS COMMENTS

(9) Criminal records on other individuals involved is anticipated in the event they should come to our attention, but it has been confirmed [REDACTED] does not have a criminal record. Investigation continues in this matter and you will be further informed.

  
J. S. Dunlop.

SOURCES

Paragraph 1	Canadian Immigration Records.
Paragraph 2,6 & 7	U.S. Justice Dept. Buffalo Strike Force.
Paragraph 3 & 4	Ontario Police Commission.
Paragraph 5	Ontario Provincial Police Intelligence Branch
Paragraph 8	District Intelligence Officer, Hamilton

OUR REFERENCE:

CIRCULAR NO: 33/75

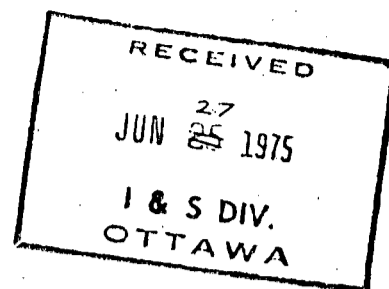
COPY PLACED ON:

IH700-5-5

IH246-1 (2-7-75 IL)

IH255-1

## LOANSHARKING



This bulletin is to inform the police officer of the growing problem of the loan shark.

Loan sharks not only contribute to street crime, they have a damaging effect on the economy of a country. It is hoped the information contained herein will provide knowledge as to the operation of the loan shark and attain the following objectives:

- (1) To provide capability of recognition of incidents related to loansharking.
- (2) To create a system whereby information can be obtained.
- (3) Encourage communication with your Intelligence Bureau with the intent of combating organized crime in the loansharking and other areas.

The loan shark operation is a well organized business and to keep an operation successful, rigid rules are set up and enforced by any means necessary.

As in all areas of organized crime, people in the business of loansharking live in a world apart from the working citizens, and disregard the laws of the land. They make their own laws which are enforced from a mild threat to capital punishment. There is no fair trial or notification of rights. The enforcer passes sentence when and where he chooses. It may not even be the offender who is the target of the sentence, it could be a close family member. This is often done to spare the offender any harm, in order that he may still be in a position to pay off his debts.

If a street man double crosses the shark, it may result in a death contract. When dealing with these people, we are fighting a law stronger and with more severe penalties than the Parliamentary law we represent and uphold.

The loan shark himself is rarely mentioned by intimidated complainants. He may not even be aware of the identity of the actual shark. He will be aware of the street man and will be able to identify the enforcer, provided he was attacked face to face, or in a spot with enough light for identification.

The actual loan shark puts out large sums of money to his street man, who in turn loans money to borrowers at an interest rate calculated to collect the maximum amount of interest (Juice or Vigorish in their language) the lender can afford. Street loans run from 5 to 30 percent a week, larger loans in the business field run 10 percent a month and up. These larger loans are often made by the shark himself. The money the shark is putting out in most cases, comes from the big organized crime families at a set rate of interest, running about 78 to 120 percent a year.

The shark puts the money out to his street men, demanding at least double this amount of interest, around 260 percent a year. The loan sharks responsibility ends here and it is up to the street man to collect from the borrower and to provide enforcement to collect bad debts. The street man hopes the borrower never

pays back the principal he has borrowed. If interest payments are regular, he is ahead of the game to keep collecting. If he gets the principal back, he is paying interest on this money to the shark and must find a customer quickly, or he will be losing money.

If a borrower gets behind in payments, a variety of penalties are imposed from a monetary angle. If he refuses to pay, penalties ranging from threats to physical harm or death are carried out. Home, business or automobile may be taken to right a debt, or the delinquent borrower is often called upon to commit crimes for the lender as a form of payment.

Quite often, a victim will confide in police when he is in fear of his life, with no way to pay his debts. If we delay in our investigation, we may find our victim will have reconsidered or has been given an out by way of a crime to commit, or he may have decided he has more to fear by coming forward than by remaining silent.

Television programs and motion pictures assist organized crime greatly in keeping their weapon of fear ever prominent in the minds of the public.

The United States of America has recognized the impact of organized crime money on their economy. A figure of 44 billion dollars, equal in amount to half their national budget was quoted as being invested by organized crime in the U.S.A. last year. This money was obtained tax-free, much of it taken out of the country and returned as foreign investment. It is not difficult to realize the one-sided burden this placed on tax-paying citizens of a country.

Many States in the U.S.A. have passed Usury Laws aimed at limiting interest rates at around the 25 percent mark. To charge more interest is a felony, with reasonably high penalty in some States.

These laws have caused American organized crime to look to Canada with our lax laws, and feet-dragging law makers. Millions of dollars are pouring into Canada through Canadian contacts.

Many borrowers are those whose credit-rating with recognized lending companies is bad, and others use the loan shark for tax-dodging purposes where transactions do not appear on any books. Interest is paid in the form of phony salaries and expenses and written off as a further tax dodge.

Investigations have shown that the majority of active criminals in Metro Toronto, in all areas of crime, are, or have been in, the clutches of the loan sharks. Many crimes can be directly attributed to loan sharks, where the criminal admits his actions were due to desperation in getting money to repay his loan. Many of these are first offenders who were turned into a criminal in an attempt to free himself from the shark.

Metro Toronto Intelligence Bureau is aware of close to fifty people putting loan shark money on the street in our area, and our investigation is far from completed.

Continued.../3

CIRCULAR NO: 33/75

PAGE THREE

The following suggestions are aimed at recognizing and controlling loan shark activity:

- (1) Investigate all loan shark complaints thoroughly.
- (2) Learn to recognize evidence of loan shark intimidation and violence. Many times a victim will not admit his injuries were as the result of an enforcer's beating. Try to gain his confidence and persuade him to co-operate.
- (3) Question informers and persons being investigated as to any knowledge they may be able to provide regarding loan sharks. Most criminals are familiar with the sharks in their area.
- (4) Many arsons, bombings and inside robberies are the result of loan shark debts. When any of these are suspected, investigate with this in mind.
- (5) Street lenders hang around hotels, race tracks and gambling activity. Observe and keep this in mind during any related investigation conducted.
- (6) Relay any suspicions or information gained to your Intelligence unit.
- (7) Get as much information as is possible yourself if you find someone willing to talk. Once a source of information leaves you, he may reconsider giving information through fear of the Mob.

NOTE:

Co-operation between the men in the field will result in an accurate picture of loansharking in your area for your Intelligence Unit. In turn, Intelligence Units throughout the Province can analyze the problem. Remember, just because you patrol small towns or rural areas, it does not mean the people are out of reach of the loan shark.

METROPOLITAN TORONTO POLICE  
TORONTO, ONTARIO  
JUNE 18, 1975

HAROLD ADAMSON  
CHIEF OF POLICE



Ontario

7540-1037 (2-72)

# ACTION REQUEST

DATE

TO

*M. BERTHIAUME*

FROM

*C.A.B.*

TELEPHONE NO.

RECEIVED

☐ - PLEASE CALL

☐ - WISHES APPOINTMENT

☐ - RETURNED YOUR CALL

APR 7 1975  
CALL BACK

☐ - NOTE AND FILE

☐ - PROVIDE MORE DETAILS

☒ - PLEASE ANSWER

☐ - NOTE AND FORWARD

☒ - FOR YOUR INFORMATION

☒ - DRAFT REPORT FOR MY SIGNATURE

☐ - NOTE AND RETURN

☐ - FOR YOUR APPROVAL

☐ - INVESTIGATE AND REPORT

☐ - NOTE AND SEE ME

☐ - FOR YOUR SIGNATURE

☐ - TAKE APPROPRIATE ACTION

☐ - RETURN WITH COMMENTS

☐ - PER YOUR REQUEST

COMMENTS:

*THIS IS THE SERIES BY  
PETER MOON IN GLOBE AND  
MAIL APR. 2nd, 3rd, and 4th  
1975.*

CALL TAKEN BY:

*Lab*

TIME

000617

GLOBE AND MAIL

3 APRIL 75

# Canada's organized criminals: 355 kingpins and very few convictions

By PETER MOON

Organized crime in some form has reached into all parts of Canada, a senior RCMP official says. Recent interviews with a number of police specialists on organized crime uncovered these developments:

—A large Montreal criminal organization, which the police call a "Mafia-style organized crime family," is making a determined and sustained attempt to take over organized crime in Ottawa.

—The profits of organized crime have grown so much that the Department of

National Revenue has formed a special unit to investigate and, if necessary, prosecute organized criminals who avoid paying income tax.

—The RCMP has files in its Ottawa headquarters on 355 men it lists as "major organized crime figures." Fewer than 60 of them have been convicted of a criminal offence in the past three years. Some have never been charged.

The Montreal family has been trying to move into the Ottawa area for five years, according to Superintendent Thomas Flanagan of the Ottawa police.

He said a criminal, who the police believe is the personal representative of the Montreal family, moved from Montreal to Ottawa two years ago. The man is seen frequently with local criminals and has no known source of legitimate income.

Supt. Flanagan said the Montreal family has tried to move in on the capital's illegal gambling, has tried to get interests in local entertainment spots, and is supplying vending machines and such food items as meat and cheese to local restaurants and businesses.

He said there is no doubt that Ottawa,

a two-hour drive from Montreal, is a prime target.

He said he likes to think the Ottawa police have so far thwarted the takeover attempts by the use of varying tactics, such as sometimes making their surveillance of Montreal visitors very obvious and close.

"We've been dogging these people and they know it," he said.

The Montreal family's attempts to move in on Ottawa are unquestioned. But there are also hints that the family would like to expand its influence in Toronto

and Vancouver, where some of its members have been seen with local criminals.

In a recent briefing for some senior employees of the federal Government, Superintendent Jack Koutledge, head of the RCMP's national crime intelligence branch, said: "Organized crime in one form or another has reached into all parts of Canada. When we talk about organized crime, we are not limiting ourselves to the Mafia that is so often portrayed on television and in the movies today (although) there are certain individuals within Canadian society that do in

fact have connections with widely publicized criminals.

"The RCMP, in conjunction with other members of Criminal Intelligence Service Canada (a co-operative effort by the country's major police forces to develop and exchange information on criminals), has isolated 355 people that it feels can be classified as major organized crime figures. This figure does not necessarily represent individuals with a criminal record. However, we are satisfied that they

INCOME — Page 4

PA  
Total  
7/62  
Copies sent to Toronto & Montreal Regions

● From Page One

accurately represent people who are involved in some sort of organized crime activity.

"In the last two to three years, we have developed intelligence which led to the conviction of 51 of these 355 subjects."

Since last April, the police have been providing the Department of National Revenue with information on the financial affairs of leading organized crime figures. The police have high hopes for the program because, in the United States, income tax violations have proved to be one of the weakest points in the defences of major organized criminals.

But both the police and the income tax authorities are reluctant to discuss the Canadian program. No policeman

or National Revenue employee would go on record about it. They are concerned that there will be public criticism that confidential income tax information is being given to the police. They insist the flow of information is one way only, from the police to the tax investigators.

The investigators have the power to order special inquiries into the financial affairs of organized criminals. Both the criminals and witnesses can be compelled to testify before tax inquiry commissioners who have the same broad powers as a royal commissioner. Some inquiries have already begun, but they have received little publicity because of legal rulings banning the publication of evidence by the press.

The police say the income tax program is long overdue.

Many organized criminals have become wealthy men with large homes and cottages, and chauffeur-driven cars. Many live lavishly, spending huge sums of money on gambling, clothes, and entertaining. Some of them have never filed an income tax return.

The police feel that new approaches such as the income tax program are essential if the growth of organized crime

is to be curbed. They consider organizations such as Criminal Intelligence Services Canada to be another necessary approach. CISC is a co-operative information-gathering and dissemination service op-

erated by the RCMP in Ottawa. It collects and collates criminal intelligence from the country's largest police forces and shares it when another police force might be able to utilize the information.

Traditionally, policemen have been, and still tend to be, jealous of their jurisdictions. But organized crime is no respecter of jurisdictions. Consequently, policemen have been forced into sharing information.

The mobility of organized crime is a major problem for police forces. All Canada's major airports have special joint squads of RCMP and local police to spot and track the movement of criminals by plane.

Similarly, the RCMP has opened an office in Bern, Switzerland, to gather information on commercial crime. It has men in Paris and Hong Kong to get information on narcotics, and plans to locate drug men in other countries overseas. The force also has organized-crime liaison men in Rome and Washington. (The U.S. Federal Bureau of Investigation has an agent in Ottawa and the U.S. Drug Enforcement Administration has liaison offices in Vancouver, Toronto, Montreal and Ottawa.)

Next: The Montreal and Toronto organizations

## The long, laborious process of turning facts into evidence

Weeks and months of work can go into trying to turn a piece of information into evidence that could lead to a successful prosecution in organized crime.

Often the effort is fruitless, as in a recent case that involved investigation by several police forces in Quebec, Ontario and British Columbia.

Early last year, a man scrambled into a Quebec Provincial Police cruiser which was parked by the side of a highway near Montreal Inter-

national Airport. The man told the policeman in the car that two other men were trying to kill him. But once he felt safe in the company of the police, he refused to elaborate on his first few remarks.

He said he was living in Hamilton and had driven to Montreal for "a fun weekend" with an Oakville man. They met a third man in a bar and decided to find a motel near the airport for the night.

They set out for the airport,

but suddenly turned off the highway on to a side road. When the Hamilton man asked what was happening, the driver and the other man in the car started punching and choking him. He managed to get out of the car and run to the QPP car which he could see on the nearby highway.

The police managed to stop the Oakville man's car on his way home from Montreal. They found \$20,000 in cash on him. But he refused to talk to them. Meanwhile, the man who had been assaulted disappeared. He and the Oakville man were known lower-echelon, organized crime figures.

The police, trying to find out what was behind the assault, heard that the victim had recently acted as a courier for a Vancouver organized crime man who was buying some heroin from an Eastern Canadian group. The victim was swindled out of some of the money by a powerful organized crime individual in Hamilton. When the Vancouver man protested it was his money and not the courier's, the Hamilton man returned it. But the amount was less than the Vancouver man had given his courier. He concluded the courier was keeping part of the money for himself and so let out a contract on his life. The Montreal assault was thought to be an attempt to carry out the contract.

After the attempt, the victim moved from his Hamilton residence, apparently fearing another attempt on his life. He moved from one address to another. The RCMP managed to find him three times after municipal police stopped him for routine traffic checks in Southwestern Ontario and the Canadian Police Information Centre's computer in Ottawa showed he was wanted for questioning.

However, the man still refused to talk to the police, rejecting his lawyer's advice that he talk and accept police protection.

Late last year, the man was arrested in British Columbia and jailed for carrying an unregistered gun.

He still refuses to talk to the police. Neither will any of the other men identified in the police investigation.

### Libel laws keep activities hushed

## Mob crime: hard to define, harder to control

Organized crime in Canada is neither as powerful nor as pervasive as in the United States. But, as Canadian policemen say: it's only a question of degree.

What disturbs many policemen interviewed for these articles is that organized crime in Canada seems to be getting steadily stronger, despite the occasional successful police prosecution of an organized crime figure and despite increased police activity.

In the United States, more lenient libel laws allow the press to publish the names of organized criminals and details of their activities with relative freedom from civil action. But in Canada, stringent libel and slander laws make it almost impossible for the av-

erage Canadian to receive such information.

The result is that many policemen worry that the public is not sufficiently informed on the nature and extent of organized crime in Canada.

The trouble in talking to policemen about organized crime is that few agree on the subject. They can't even give a satisfactory definition of organized crime—although, in talking to each other, they have no doubt about what they mean. For example: if two or more people decide to steal bicycles that it, in a sense, organized crime. But it is too simple a definition to describe adequately the kind of sophisticated lawlessness represented by the highly structured Mafia-style family in Montreal, the loan sharks in Ontario, or major drug distribution groups in

British Columbia and elsewhere.

Another problem is policemen don't always agree among themselves about the degree of organized crime that exists in Canada, or even, sometimes, in their own cities.

The reason is they often seek conclusions from fragmentary bits of information: a bugged conversation in which the participants are obviously discussing crime, but in a circumspect manner full of ambiguities; from observed meetings where the police can't hear what is being said; from an address, a telephone number or a name on a scrap of paper; chance remarks; or third- or fourth-hand information from an informant.

As a result, there are often glaring gaps in police knowledge of criminal operations in their own areas. If you

ask them a question you quite often get answers like these: "I don't know." "We haven't had the time or the manpower to look." "I wish I knew."

Policemen do agree, though, that there is a growing number of sophisticated criminals who will act together whenever they think it is to their mutual benefit.

And they do agree that these criminals have varying degrees of influence and authority. By the use of subordinates who act for them, criminal leaders insulate themselves from the actual commission of criminal acts, thus making very difficult the job of prosecuting them. While many subordinates are successfully prosecuted, few of the men who direct their activities are brought to court.

4 THE GLOBE AND MAIL, FRIDAY, APRIL 4, 1975

## 'The lunch-bucket Mafia'

# Organized crime's Italian connection traced from Calabria villages to Toronto streets

By PETER MOON

Most policemen in criminal intelligence work agree there is a crime organization of some kind in Toronto's Italian community. But they disagree about how strong it is or how seriously it should be treated.

Some policemen regard it as a serious threat. They say it could be the beginnings of a ruthless organization that could take root as strongly in Toronto as Montreal's organized crime family has in that city.

Others argue that its importance is overrated. Their view is best stated, perhaps, by one senior Metro Toronto police officer who has called it "a lunch-bucket Mafia."

The organization is known by most policemen as the Siderno Group, the code name given to it by a task force that investigated it between 1969 and 1972. The force was made up of men from the Metro Toronto police, the Ontario Provincial Police and the Royal Canadian Mounted Police.

They were able to identify about 50 men in Toronto's Italian immigrant community who they felt were members of the group. Others were linked to it in Italian immigrant groups in Hamilton and Ottawa. All of them were men who had migrated in the past 25 years to Canada from Siderno and several nearby

towns and villages in Italy's southern province of Calabria.

The task force found that members of the group had been involved in a number of different crimes, including bombings, arson, extortion, protection and counterfeiting. Two businessmen who were believed to be members, soft-drink bottler Salvatore Triumbari and shoe-store owner Filippo Vendemini, were shot to death in separate unsolved murders in the late 1960s.

The group is also known to have hidden in Toronto people who were wanted by the Italian police, including men wanted for murder.

The police have discussed the group with Italian police, who know some of its members. In 1973, a senior Italian

police officer who served for several years in Siderno came to Toronto to review the task force's findings.

Inspector Robert Stirling of the Metro police says the Siderno Group is Mafia-like in its thinking and its connections; but it is not sufficiently organized to be called a Mafia family. More accurately, he says, it could be called "an arm of the Siderno Mafia."

He said there is no doubt the group is affiliated with and frequently seeks the advice of the boss and the underboss of the Siderno Mafia family. But, he says, that has to be put in perspective. "Siderno's a small place, about the size of Whitby."

In Siderno, the Mafia tends to be involved mainly in ciga-

ret smuggling and minor extortion. The people that have come to Toronto from the Siderno area are still busy making the personal adjustments of any immigrant who comes to a metropolitan city from a semi-rural society with a radically different culture, he said, and their criminal activities at the moment appear to be relatively small and low-key.

He said the Siderno Group has been involved in some extortion and protection rackets, "but not as much as some people would like you to think." Its activities have been restricted to the Italian community and, in particular, to people from the Siderno area.

"They are basically travel-

ling low-key at the present time," Insp. Stirling said. "I don't think they've adjusted yet—mentally or socially—to our conditions here in Metro Toronto. I think they're still feeling their way."

He added: "It almost appears to me the group still relies on the guiding lights, so to speak, of the Old Country to advise them on what to do."

He said there is no doubt the group has some kind of internal structure and control, and that there is "a common criminal interest of some kind between the group and other established criminals."

"But we don't have that one guy—a don who calls the shots—that would make it a Mafia family, a co-ordinated,

closely rooted Mafia organization."

Superintendent Thomas Venner, head of the Royal Canadian Mounted Police Metro Toronto subdivision and formerly in charge of criminal intelligence for the RCMP in the Toronto area, said: "People view them differently, as to what kind of a threat they are, their potential and their impact."

He said he is inclined to accept the view of the Italian police officer who came to Toronto in 1973 and reviewed the task force's findings. "I think you have to accept his analysis of them," he said. "If they are not a functioning Mafia family, then they are a neophyte Mafia family, because they are operating in the

classical mode."

Supt. Venner describes the Siderno Group as an organized crime family with a small "f" compared with one of the large organized crime families in the United States, "where you're talking about a family with a capital F."

"The Siderno Group are not a family in the North American sense of the term," he said. "But if you leave them alone for 10, 15 years, who knows? You might then have an extremely serious capital F Family."

He adds, "I've often thought about going to these people, identifying ourselves, and saying to them, 'Look, we

think you are a Mafia family in your infancy and we're Canadian policemen, and we know about you and we want you to stop it.' We've got nothing to lose by doing it, and it just might do a lot of good."

Metro police are working to frustrate the Siderno Group and other criminals in other ways. They are reluctant to say that they receive little co-operation in the Italian community because every time they have done so in the past, they have been criticized by prominent members of the Italian community.

For some time, the force has been conducting a cam-

paign in which teams of one Italian-speaking and one English-speaking policeman visit businessmen and others in the Italian community.

"We're trying, I think, to portray the image of a good guy," Insp. Stirling said. "I think a lot of Italians have had a lot of fear of policemen and courts. We're trying to gain the confidence and respect of them, and in return we are trying to get them to respect our department. We're trying to let them know that if something of a criminal nature happens, we are behind them 100 per cent and they have no need to live in fear."

## Montreal: the 'Godfather' city of organized crime

Montreal is the only city in Canada with an organization that in any way matches the Godfather image of organized crime.

The police draw up organizational charts for the Montreal organization that identify its leader, his lieutenants, advisers, and workers. In other cities, even in Ontario and British Columbia, organized crime has not developed sufficiently for similar charts to be drawn. Or, if charts can sometimes be compiled, they are only temporary diagrams.

The Montreal family is involved in narcotics, bookmaking, loan sharking, stock fraud, extortion and a number of other traditional syndicate activities.

The Montreal group had its beginnings in the mid-1950s as a branch of the former New York crime family of Joseph Bonanno. Today it is considered an autonomous organization, according to Superintendent Jack Routledge, head of the RCMP's national crime intelligence branch.

But the family still maintains close ties with organized crime figures in New York. Last year, a delegate from the Montreal family attended a meeting in New York to select a new head for the Bonanno-Sciccia family. According to the police, the head of the latter family acts as a mediator when serious internal disputes arise among senior members of the Montreal family.

The gangland shootings and bombings that have been making headlines in Montreal do not normally involve family members, according to the police. The criminals who suffer in these incidents, they say, are small-time crooks competing for a piece of the criminal activity not controlled by the family. In contrast, the family values internal peace and discipline and frowns on violence among its members—not just because it makes poor business sense, but because it attracts increased police attention.

In 1972, a serious internal argument developed between two influential members of the Montreal family. New York was unable to supply a

mediator at the time, so the family sent to Sicily for one. The man who arrived in Montreal was Giuseppe Settecassi, rated by the Italian police as one of the most respected and powerful figures in the Italian Mafia. He was visiting the United States in 1957 when state police raided the famous meeting at Apalachin, N.Y., at which more than 60 leading crime figures were arrested. Several escaped into the surrounding woods when the police arrived: Settecassi is believed to have been one of them.

Settecassi spent two months

in Canada during his 1972 visit. Besides settling the Montreal dispute, he attended a wedding in Toronto with a number of top crime figures from both Quebec and Ontario, before returning to Sicily.

There is a second crime organization in Montreal that has come to prominence within the past few years. The organization, headed by 10 brothers, operates a protection racket involving a number of nightclubs in downtown and west end Montreal. It is involved in loan-sharking, prostitution and other criminal activities.

The city's Mafia-style family is bitter about the second group's gradual rise to influence. But violence has not broken out between the two groups, which continue in an uneasy state of coexistence.

A recent police wiretap of a conversation between two senior members of the Mafia-style family may explain the reason for the truce. One said they should have killed the brothers 10 years ago, when they were nobodies. To move against them today would be too dangerous, he added, because they have become too strong.

A number of recent arrests by various police agencies, and legal actions by the Quebec Police Commission's Inquiry into Organized Crime, have seriously disrupted the leadership of the Montreal family. Several of its top members are in jail. But most policemen agree the family is so well established and so large that it is virtually self-perpetuating. As with a successful corporation, they say, the family will produce a new president and board of directors and remain in business.

Last of a series

LOAN SHARKING. 2 APR 75

# A gambler's tale: bookies, backstreet loans and bankruptcy

By PETER MOON

In April of last year, a young professional man in a Southern Ontario city filed an application for personal bankruptcy. He declared assets of \$10,000 and debts of \$125,145.

Only weeks before, a man had walked into his office, taken a silencer out of his briefcase, pulled a revolver from a shoulder holster, attached the silencer to the gun and placed it against the professional man's forehead and demanded payment of a gambling debt.

The professional man does not want his name, profession or residence revealed. He wants anonymity—for his safety and for the sake of his wife. But

he agreed to be interviewed about his dealings with bookmakers and loan sharks, because he thinks publicizing his experiences may prevent others from getting into the same kind of financial chaos and personal danger. For the purposes of this story, he's Mr. Smith.

By the time he opened his office after graduating—only two years before he filed his bankruptcy—Mr. Smith was a confirmed and well-known gambler. He bet on baseball, football, basketball and hockey games. He didn't like betting on horses. "The chances on horses are one out of eight or 10. But in sports, it's one of only two teams."

He opened his office with money borrowed from a bank (he already owed several thousand dollars to banks on student loans that he had used for gambling) and he installed a special telephone under his desk. Only his bookies knew the phone's unlisted number, and it was used only for betting.

The best he ever did while gambling was once to win \$50,000. But he was always behind. Even when he had the \$50,000 in winnings, he owed several bookies more than \$100,000.

He never got ahead. "If I had done, I'd have quit," he said. He kept on gambling by borrowing from banks and finance companies. "That was easy," he said. "I'm young, I'm a professional with good future earnings more or less guaranteed and, even though I was gambling, I was doing well in my practice. My work has

thousands of dollars from one account to another to meet overdue payments to banks, finance companies, bookmakers and, eventually, loan sharks. By the time he filed bankruptcy, he owed one bank \$36,000; a second bank in another city \$28,000; another bank in a third city \$19,000; a finance company \$6,000; and a credit card company \$6,000.

He said he was aware that in dealing with bookmakers he was dealing with the underworld. But he believes bookmakers are the "small time" of organized crime, although he does concede that the bigger bookies must necessarily deal with the more influential members of organized crime for

information on betting odds and other services essential to their business.

He said bookmakers are businessmen. Most don't want to do anything that would attract the attention of the police. "I picked and chose very carefully whom I dealt with."

He said most bookmakers are as reasonable to deal with as the average successful businessman who offers credit. "What does a business do? Cut you off because you can't pay them? No, they'll do a deal with you, so they can deal with you in the future when you're in better shape."

He said the bookmakers he

dealt with were very conscious of the fact he was a professional man with a good income that would almost certainly grow substantially within a few years.

But even so, he found himself in trouble on occasions. A Montreal bookie lost his temper once when Mr. Smith told him he couldn't pay him what he owed him. The bookie punched him and knocked him to the ground. "Well, what do you expect?" Mr. Smith asked. "We all have our breaking points and I did

## Big-time fraud. Page 3

never been affected by my gambling. And they knew it, the banks and the bookies, and they kept extending me credit. No, the banks didn't know about my gambling; but they're greedy, they never checked, they just made the loans."

At times, he found himself juggling

owe him the money. He probably had obligations of his own and he needed it."

Another time, he found himself owing a bookie in south-western Ontario \$24,000. The bookie agreed to settle the debt for \$8,000 and Mr. Smith began making monthly payments to him.

Then, one day, two men arrived at his office. They told him the bookie had turned over Mr. Smith's debt to another man to whom the bookie owed money: "I told them the debt was none of their business. They said: 'It is now. You owe us.' They said the \$5,000 I still owed had to go to them now. One guy stood by the door and the other stood in front of me, smacking his fist into his hand. I gave them several hundred dollars, all I had on me. Of course, I was scared."

The men said they would come back a few days later. When they did, Mr. Smith's lawyer was in his office with him and four policemen were hidden nearby. Mr. Smith's lawyer told the men they were getting no more money. But the men made no move and said nothing that would enable the hidden police to

charge them. On their way out of town, the police stopped the two men's car and checked them to find out who they were. Other police followed them back to Toronto, where they were seen meeting a loan shark.

Shortly afterward, one of the men who visited Mr. Smith disappeared. Metro Toronto police believe he was murdered. The loan shark was later severely injured in a bomb attempt on his life.

About the same time, the incident with the man who had the gun and silencer occurred. The man threatened Mr. Smith, because another gambler on a flying junket to Las Vegas had said Mr. Smith, a friend of his, would guarantee his debts. The gunman demanded that Mr. Smith sign a cheque, but he refused: He said the cheque would bounce. The gunman said he would return and told Mr. Smith he had better have the money ready. Mr. Smith reported the incident to the police and called the man the gunman said he was acting for. The gunman later phoned him and threatened him, but he has heard nothing more from him since.

A few months before he filed bankruptcy, Mr. Smith finally felt he had to go to three loan sharks for money. He borrowed several thousand dollars, agreeing to repay \$1,300 for each \$1,000 he borrowed, at the rate of \$100 a week for 13 weeks—an interest rate of 120 per cent a year. He finished up owing them \$10,000 by the time he decided to go bankrupt.

The loan sharks, he said, were realistic when he explained what he was going to do. When they realized he was definitely going into bankruptcy, they agreed to settle the debts for \$6,000. It was paid to them by friends and relatives of Mr. Smith.

"You hear about violence and read about it," he said, "but it doesn't happen that often. What's the point? Loan sharks—and that's a bad word, they're just businessmen really—they don't want the police around. But you have to pick your shark. The poorer ones may do something stupid and violent. Don't deal with them."

"But the better loan sharks, the businessmen . . . When these guys give you their word, that's it. They're honest with you. They'll tell you what's likely to happen if you don't pay when they make you a loan."

"But there's not all that much violence. They don't want the aggravation. If you're honest with them, and you really can't pay, they'll listen to reason."

"It's my opinion the only danger in dealing with the underworld is when you deal with small-time punks. Or with a big man, and a tremendous number of people know you've beaten him. Then he has to make an example of you."

Even so, Mr. Smith's home telephone number is unlisted. And when I arrived unannounced recently at a relative's apartment door in the same city, looking for Mr. Smith, I found myself having to identify myself and explain my business to the local police, who had a car on the scene in less than two minutes.

"Well, yes," Mr. Smith conceded, "I think the police are keeping an eye out for me. They've been pretty good."

**NEXT: The move into Ottawa**

## BANKRUPTCY FRAUD.

THE GLOBE AND MAIL

Little risk, huge profit

# Canada's top criminals move into big-time fraud

By PETER MOON

Police intelligence and fraud experts say huge profits and small risk of prosecution are leading to a growing involvement by organized crime figures in commercial crime.

Superintendent Henry Jensen, head of the Royal Canadian Mounted Police commercial crime branch said in a recent interview the RCMP investigated \$203-million worth of losses suffered by Canadians in 1973.

He stressed that the figure only includes cases investigated by the RCMP. It does not include losses investigated by other forces.

"I couldn't give you a realistic estimate of the total loss by fraud—only a rough estimate," he said. "I'd say between \$1- and \$2-billion."

Inspector Cornell Kerehuk of the RCMP's commercial crime branch said there are about 100 promoters who are involved in large commercial frauds in Canada. He said they work together as it suits them, nationally and internationally.

The police say these men specialize in bankruptcies and other commercial frauds, particularly in the area of stock promotions or manipulations.

They are not considered by the police to be members of the so-called hard core of organized crime. Instead, they are seen as close associates or, and perhaps more frequently, as occasional associates of organized crime figures.

But, they stress, the expertise of these men is being used with increasing effect by major organized crime figures.

In Montreal, police charts of the city's Mafia-style, organized crime family list several stock promoters as financial advisers to the family's leaders.

Indeed, it was in Quebec that the police saw the first links between financial crime and organized crime. The "lime pit murders" of the mid-1960s revealed an unsuspected link among a massive number of bankruptcies, arson and other financial crimes.

"The lime pit murders in Quebec had a national effect," said Inspector Kerehuk. "Are you going to argue with people like that? They were a national bench mark."

Supt. Jensen said many top organized criminals have shifted from risky crimes with severe penalties, such as trafficking in heroin, to stock frauds because the profits are equally as high, if not higher, and the risks of prosecution and severe punishment are much lower.

"Most people don't even know they've been victimized," he said. "If you're the owner of securities and organized crime quietly takes over a company to manipulate the price of the shares, you as a citizen won't necessarily know it."

"They can work their manipulators, bid the stock up and then get their holdings out before it collapses, and you're left with your devalued stock. You don't know what happened and you don't know who was involved."

The result is there is no complaint to the police unless the force has been alerted by its criminal intelligence units

or information about the fraud comes to it by some other means.

"They take advantage of the system," he said, "plus the lack of co-operation between police forces and jurisdictional problems if the fraud crosses police or provincial or national boundaries, and the state of present legislation."

Investigating possible stock frauds can be enormously time consuming and expensive. Supt. Jensen cites one recent RCMP investigation which took more than three years to complete, at a cost of \$1-million. The investigation involved 46 companies and required the hiring of outside auditors to examine the companies' books seized in raids that required 100 men to make. Three suspects were extradited from the Bahamas.

"If you target a man involved in commercial crime

and decide to go after him, you're likely to find yourself in a long, involved investigation," one policeman said. "You almost have to live with him. You have to learn his life style, find out where the flow of money goes. It's not easy. And you need highly qualified investigators."

Traditionally, police regarded complaints of commercial fraud as matters to be settled by civil litigation. They didn't want to be considered collectors of personal debts and would usually tell complainants to see their lawyers. Also, many police forces, particularly smaller ones, were deterred by the cost of launching a complex investigation that might tie up manpower for long periods without any guarantee that a charge would be laid at the end of the investigation.

The police have reacted belatedly to the presence of organized crime in the financial community, Supt. Jensen said. It is only in the past few years that provincial securities commissions have beefed up their investigative staffs and the provincial police forces in Quebec and Ontario and the larger municipal police forces have begun to take a greater interest in stock and other commercial frauds.

The RCMP now has 253 people in its commercial crime branch, which was formed eight years ago. Most of the investigators hold some form of post-secondary education. A large number hold legal or accounting degrees, many of them obtained at the expense of the force.

The profits in commercial crime are so high that the people involved have the fi-

nancial resources to try to block investigations or seek co-operation by corruption and bribery.

Supt. Jensen said organized crime figures have succeeded in corrupting two former senior officials of Canadian stock exchanges in recent years.

He said attempts have been made to bribe his own investigators. One man was offered \$100,000 in cash, others have received offers of \$10,000 to \$15,000 in stocks, or offers of jobs at better salaries than they were earning as policemen. One member of the RCMP's commercial crime squad in Montreal was found recently to be friendly with an organized crime figure and was dismissed from the force.

"People can get hurt through their pocketbook in my area of crime," Supt. Jensen said. "In other areas, they get hurt physically."

At the same time, he accepts the fact that the possibility of violence is always present for people involved in commercial frauds when organized crime people are present.

As Inspector Donald Armstrong of the RCMP in Vancouver said: "We've had one fellow shot and wounded here recently by a man he ripped off. We've had another killed in a still unsolved murder."

In 1970, a U.S. man who was involved in various kinds of commercial fraud and with a background of links to organized crime figures, was murdered shortly after he landed from the United States at Toronto International Airport. The following year, a Montreal organized crime figure was murdered.



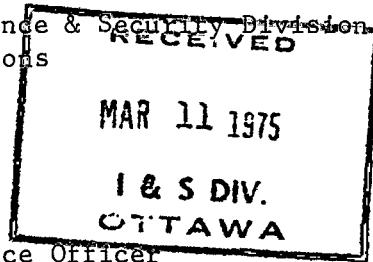
Government of Canada  
Gouvernement du Canada

MEMORANDUM

NOTE DE SERVICE

TO  
À

Director, Intelligence & Security Division  
Immigration Operations  
Ottawa



FROM  
DE

Regional Intelligence Officer  
Quebec Region

SUBJECT  
OBJET

CRIMINAL ORGANIZATIONS - GENERAL

SECURITY - CLASSIFICATION - DE SÉCURITÉ
CONFIDENTIAL
OUR FILE - N/RÉFÉRENCE
IH255-E-1
YOUR FILE - V/RÉFÉRENCE
IH255-1
DATE
March 5th, 1975

1. Attached hereto for your information is a copy of a report submitted by the D.I.O., Montreal District to the Appeal Board, concerning [redacted] (see memorandum dated February 26th, 1975).

2. The contents of this report are self-explanatory.

s.19(1)

*Original on file  
#600-636  
Noted 2602-  
17-3-75*

Walter Kelly



Government of Canada  
Gouvernement du Canada

MEMORANDUM

NOTE DE SERVICE

TO  
A

Monsieur Jacques Pépin, agent d'appel  
Commission d'appel de l'immigration  
510, St-Laurent  
Montréal, P.Q.

FROM  
DE

Agent de renseignements  
District de Montréal

SUBJECT  
OBJET

SECURITY - CLASSIFICATION - DE SÉCURITÉ
<b>CONFIDENTIEL</b>
OUR FILE - N/RÉFÉRENCE
<b>IN255-MD-1</b>
YOUR FILE - V/RÉFÉRENCE
DATE
<b>Le 28 février 1975</b>

... / 2

s.19(1)

- 2 -

*Pierre Séguin*  
Pierre Séguin

- c.c. chef d'exécution de la loi, division des services intérieurs  
attn: Monsieur J. Dagg, Ottawa (HQ2-39155)
- c.c. Directeur général adjoint, Opérations d'immigration, Région du Québec
- c.c. administrateur des Opérations d'immigration, District de Montréal (E3-3704)
- c.c. agent régional de renseignements, Région du Québec

Page 2 - Gold Viol

# The Gazette

## The Report - Business and Finance

Pages 35 to 50, Wednesday, November 27, 1974

### Jury convicts two men of

By LEON LEVINSON  
of The Gazette

Irving Kirsch, a 36-year-old chartered accountant, and Herschel Rosenthal, 47, were convicted yesterday of conspiring to manipulate shares of Buffalo Gas and Oil Corp. with intent to defraud.

A Queen's Bench jury comprising eight women and four men brought in their verdict after deliberating for eight hours. The trial lasted two weeks, before Mr. Justice Melvin L. Rothman.

Both accused were ordered into custody pending representations as to sentence fixed for Friday. The offence is punishable by up to 10 years.

Kirsch lives on Kent Ave. and Rosenthal, a former Torontonian, gave his address as Westmount Square.

The indictment charged that the two prisoners conspired with one another and with several named co-conspirators between Dec. 1, 1971, and March 31, 1972, to affect the market price of the shares of the now defunct company with intent to defraud.

Neither accused testified and they called no witnesses.

The Crown's case, presented by Gabriel Lapointe, QC, indicated that Kirsch had obtained virtual control of the available shares of the company in January 1972 and that Rosenthal was associated with him as a partner in his plan to create a rising market for them on the Canadian Exchange.

#### DRIVEN UP

Evidence was made that Kirsch and an unindicted conspirator employed the expert services of two U.S. professional market-riggers to handle the profitable disposal of the shares on Jan. 22.

During a four-day period during which the two "pros," who testified for the Crown, were operating the stock, a total of more than 53,000 shares were traded. The price was driven up from \$2 to \$3.30.

The role of Rosenthal was described by James C. Danielson, one of the Crown witnesses in protective custody by the RCMP, as the man with whom he kept in communication at a local brokerage house while the trading was in progress.

Danielson said he was employed by Kirsch on a \$4,000 fee for the operation, plus 15 per cent commission on sales, out of which he had to

### Stock frauds cheat many

TORONTO — (CP) — Canadian investors are being cheated of hundreds of thousands of dollars because of fraudulent manipulations in the stock market, E. R. Lysyk, RCMP assistant commissioner, says.

In a recent interview, he said swindles often involve "payment of secret

commissions to create a demand for a security, pre-arranged sales of the security so the promoter can receive the benefits and trades between parties involved in the conspiracy to create an illusion of active public trading."

RCMP investigation of illegal stock

### fraud in Buffalo Gas case

make "pay-offs" to a floor trader and others who participated in what he referred to at one point as "blowing off the stock."

After a four-day operation, Kirsch fired Danielson and Rosenthal and said he and an unindicted co-conspirator would take it over. Volume fell drastically within the next few days but more than 20,000 additional shares were traded.

A few days later, the trading in the stock was suspended and was never restored.

The exchange sheets indicated that Kirsch and alleged co-conspirator Robert Broadley, a broker's floor

trader, accounted for more than 30 per cent of the volume in the shares.

#### DECISION

In his charge to the jurors, Justice Rothman said they must first decide whether the evidence satisfied them beyond a reasonable doubt that there was a conspiracy to affect the market price of the stock.

They must further be satisfied that the agreement was to use "deceit, falsehood, or other fraudulent means" to affect the price, with intent to defraud.

Also they had to determine whether the accused's intention was to "maintain an orderly market" by the use of the "box" procedure or did they intend to affect the market for their own benefit by giving a false impression of real activity to run the price up.

Much had been made by the defence of the bad records of Danielson and Steven Dimmen, the two U.S. citizens who gave their services as "stock distributors" to Kirsch. Grave doubts were thrown on their credibility.

But in his address to the jurors, Special Prosecutor Lapointe reminded them that on most of the important elements in the evidence of the two men, they were corroborated by independent witnesses, including police officers who were carrying out surveillance of the group at the time.

#### DOCUMENTARY

There was also important documentary evidence placed before the jury, and there was sufficient circumstantial evidence from which guilt could be deduced.

Named as co-conspirators in the preferred indictment which brought Kirsch and Rosenthal before a jury without option, were: Robert Broadley, the floor trader for Crang-Morgan; Paolo Violi, vice-president of Reggio Foods, a north end food-processing firm; Fred Gabourie, of Toronto; and Danielson and Dineen.

Broadley, Violi, and Gabourie are awaiting trial in the same case. The two others, who have been in protective custody since early 1973 pending their testimony at further trials, have not been charged.

### Canadians

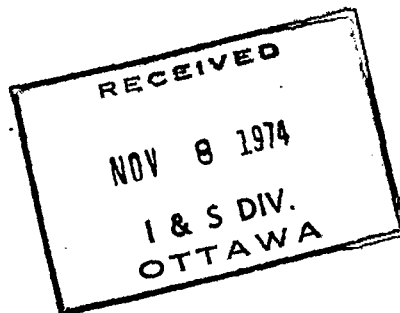
market manipulations, usually involving foreign bank accounts, may take several years to complete, he said.

He said more offences against the Bankruptcy Act have been detected because of RCMP investigations since the early 1960s but "the actual incidence of the offences is static or perhaps decreasing."

**Pages 632 to / à 633  
are withheld pursuant to section  
sont retenues en vertu de l'article**

**13(1)(d)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**



Nov. 4, 74

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14700-5-34

P4  
1/02.

An investigation into crime in British Columbia by the Coordinated Law Enforcement Unit revealed that organized crime is controlled by eight syndicates and that drugs are the main causes for increased crime. Of the estimated 15,000 heroin addicts in Canada, approximately half, or 6500 addicts, are believed to be in Vancouver just north of the Blaine Port of Entry. Seventy per cent of all crime committed is drug related and Vancouver is known world wide as a "soft" port or an easy port to smuggle through narcotics. The present street price of a cap of heroin in Vancouver, B. C. is \$35 to \$40. At these prices each addict is reported to pay an average of more than \$25,000 a year to support his habit. This places a very large concentration of potential illegal aliens as well as smugglers of narcotics on our doorstep. (Blaine, Washington and Northgate, North Dakota Ports of Entry and Seattle Investigations)

THE TORONTO SUN .....

Wednesday, 23 October 1974

14 The Toronto Sun, Wednesday October 23, 1974

# Organized crime 'gets you coming, or going'

MONTREAL (CP) — Some of Quebec's top crime fighters have been told here that organized crime "gets you coming or going" with operations on both sides of the law, including legitimate businesses ranging from diaper services to funeral homes.

Ralph Salerno, a law enforcement consultant, yesterday told a Quebec Police Commission inquiry that organized crime is forever seeking new activities that bring "bigger yield and fewer risks."

He said crime groups are "slowly moving out" of the drug field where prison sentences have become stiffer every year.

"Now the boys are moving into pornography because it's extremely profitable and convictions on crimes related to it bring mostly minor sentences."

Those still dealing in narcotics are switching from heroin to cocaine "because

they've found out that a lot of people who hold good jobs and can afford it prefer to use cocaine because it's not as addicting."

Salerno, who spent 20 years with New York City's police intelligence unit, outlined how organized crime operates in North America.

"It does not deal with crimes of emotion but crimes that are well-planned to increase money in its coffers."

"And they are organized to make those crimes as lucrative as possible and in a manner where the risks of detection and conviction are very low."

Gambling, pornography, and other activities that are restricted by law but in public demand, are extremely profitable, Salerno said.

"They deal in strategic and tactical crimes. Strategically, they place one or more persons in a particular state of mind to do, or not to do, something."

"For instance, organized

crime will pay a government clerk or policeman a bribe. At first, that is only an expenditure. But it places that clerk or policeman in the right frame of mind to co-operate in future illegal activities."

Salerno said assault is also viewed as a strategic weapon.

"There is no immediate return in their beating someone up but if that person has failed to make a payment in time to a loan shark, the beating will show an eventual profit in that the debt will be repaid."

"The fear of physical violence is what makes loan-sharking possible. There has been a decline in violence in the past few years because fear of loan sharks has been increasing."

Extortion and blackmail fall into the realm of "tactical" crime, he said.

"Those crimes do not have any immediate tangible value in themselves but can result in

the victim providing information on, say, the shipment of a valuable cargo, and the resulting hijacking of that shipment.

"A gambling debtor, possibly someone in a government position, may see his debt wiped out for supplying confidential information that may result in an immediate profit by organized crime. Loan sharks and gambling operators, including bookmakers, maintain a close relationship."

Salerno said "attempts at bribery of minor officials or senior officials is an on-going thing."

"They bribe officials in any department of government to establish contacts. They work at having low-level employees promoted rapidly to penetrate governments."

The aim is not to run, but to manipulate administrations to make way for greater profits in illegal activities. Their attempts achieved "varying degrees of success."

Salerno said toning down organized crime is a more realistic goal at present than its total elimination, but the limited approach is being frustrated by what he feels are soft sentences.

"The best way to hurt, cripple and somewhat bring organized crime under control is to hit it in the pocket book because that's where it hurts them most."

Re Our File # IH255-TD-1

000635

# Organized crime solidly entrenched in Peel Region, councillors told

Special to The Globe and Mail

BRAMPTON — Organized crime has moved into Peel region, Peel council was told yesterday.

Extortions, threats, shootings, woundings, the handling of illicit contraband, drugs and stock manipulations are all very real day-to-day happenings in Peel, Staff Superintendent William Teggart of the Peel region police, said.

He said police also had concrete evidence that crime leaders were prepared to try to buy off region councillors for a real estate plan. "Organized crime has

made preparations to approach elected members here today for real estate speculation," Supt. Teggart told council, which was meeting in a budget session.

He said he felt council members were beyond reproach and that such a plan would not likely succeed in Peel. He said he would present information about it to individual members after the meeting.

Supt. Teggart said a police investigation had uncovered a shipment of pen guns for the use of extortionists. He said the pen guns were used to shoot victims in the leg. The pens were then thrown

away, making it almost impossible for police to track down the extortionists who used them.

He said he and Police Chief Douglas Burrows appeared to be the only policemen who knew about organized crime infiltrating Peel when the regional force was established at the end of last year and that that had surprised him.

"We have organized crime in Peel. Organized crime is here to stay," he told council.

He said five known operators of organized crime had moved their operations

into Peel since the region was established Jan. 1 and that 12 others "fringe members" had been operating in Peel for several years.

Supt. Teggart said subversive groups which operated along the lines of the Symbionese Liberation Army had also established themselves in Peel and that police had come into possession of a Marxist group's document which listed seven people to be "tried for crimes against the state." The third name on that list was Chief Burrows.

Supt. Teggart said that document

should be taken seriously as it had been proved that the group was directly linked to a kidnapping in New York City involving several recent arrests. "This would indicate that they mean what they say," he said.

He said crime syndicates were involved in a major building products racket, it was given enough money to do the job.

Council had cut \$250,000 off the police large-scale frauds and drugs in Peel.

He said the Peel region force could cope with the problems at hand provided budget request of \$9.6-million for 1974 and

was ready to make further major cuts at yesterday's meeting. But after hearing Supt. Teggart, councillors unanimously approved a \$9.4-million budget.

Chief Burrows told council not to stick its head in the sand about the problems his force was faced with, and said the budget request was a realistic one to provide an adequate service. It cost a little more than \$6-million to police Peel last year.

Supt. Teggart said that in one recent

ORGANIZED — Page 2

## Organized crime

### • From Page One

investigation, police found a load of dynamite beside a man's home and that it was enough to "blow that man's house off the map."

He said another man went to police after his business went bankrupt because he had made monthly payments amounting to \$100,000 to an extortion syndicate in Peel. He said the man was so upset that he had told police he did not care any longer whether he was killed or not. He said it was by then too late to do

anything about it.

He said he felt his force had been successful in coping with organized crime as its efforts compared favorably to those of other forces in the Western Hemisphere.

Supt. Teggart said the Peel force, during its fight against organized crime, had recently executed a search warrant when police had to use a sledge hammer to knock down a door to find a man who had handled \$15,000 worth of business in half an hour, from which he made 15 per cent of the money he received. He did not elaborate.

He said loan sharks had entered the scene and were putting money into legitimate businesses, with which honest local businessmen could not compete.

"Right in the region of Peel today, organized crime is bringing in heroin, there's no doubt about it, and that's exclusive of the large drug seizures that we have made," Supt. Teggart said.

He said he did not like revealing facts about organized crime in Peel, but that it was a big problem and that the police force needed highly trained men to cope with it.

He said police recently seized \$36,000 worth of stocks at Toronto International Airport and that those stocks were involved in a stock manipulation racket. He said they had been stolen in New York for negotiation in the Bahamas.

He said that money from rackets in Peel and Toronto was being sent to Montreal to help racketeers operate there.

He said his report, which had been kept secret, would not stop organized crime in Peel and that organized crime would not stop, even when crime bosses left the area "because of family connections. They are not too con-

cerned about what I say today, or about confrontation with the police, either."

Supt. Teggart said loan sharks were moving in on small legitimate businessmen who needed money, but found difficulty in borrowing it.

Loan sharks lent money at 120 per cent interest, which made it impossible for the businessman to pay back the capital. "If they don't pay, they get a beating," he said.

The superintendent said policeman on the beat knew nothing about organized crime and that it took highly trained men to handle it.

He said one recent major fraud investigation unearthed a racket in aluminum siding where those involved charged \$10,000 for their services. "We have had cases of charges up to \$50,000 where people had to remortgage their homes to pay it."

Peel's seven-member fraud squad has dealt with 376 cases so far this year.

"When you get situations of organized crime members talking about the next conquest, I believe you should know about it," he told council.

He said his force tracked criminals and worked constantly with other police and intelligence sources across Ontario in their investigations of organized crime, much of which, he said, was moving into Peel from Toronto.

"In the town of Mississauga alone, how do they go about corrupting officials?" he asked.

He said one investigation turned up eight or 10 cheques for \$1,000 each, made out to a man who was testifying in a recent inquiry in Quebec. "Organized crime is fully organized and to combat it, the policeman on the street or the ordinary detective is not going to be very effective."

H02-86307

Government  
of CanadaGouvernement  
du Canada

## MEMORANDUM

## NOTE DE SERVICE

TO  
ÀChief, Intelligence Unit,  
Home Branch,  
Ottawa.FROM  
DEGeorge P. Best,  
District Intelligence Officer,  
Toronto.

RECEIVED

JUL 8 1974

I. UNIT  
OTTAWA

SECURITY - CLASSIFICATION - DE SÉCURITÉ

**CONFIDENTIAL**

OUR FILE - N/REFERENCE

IH-247-TD-1

YOUR FILE - V/RÉFÉRENCE

DATE

2 July, 1974

SUBJECT  
OBJET

1. Our memoranda dated 30th May, 1974, and 13th June, 1974, refer.

Information:*Original on  
Copy on*

GE TWO

**CONFIDENTIAL**

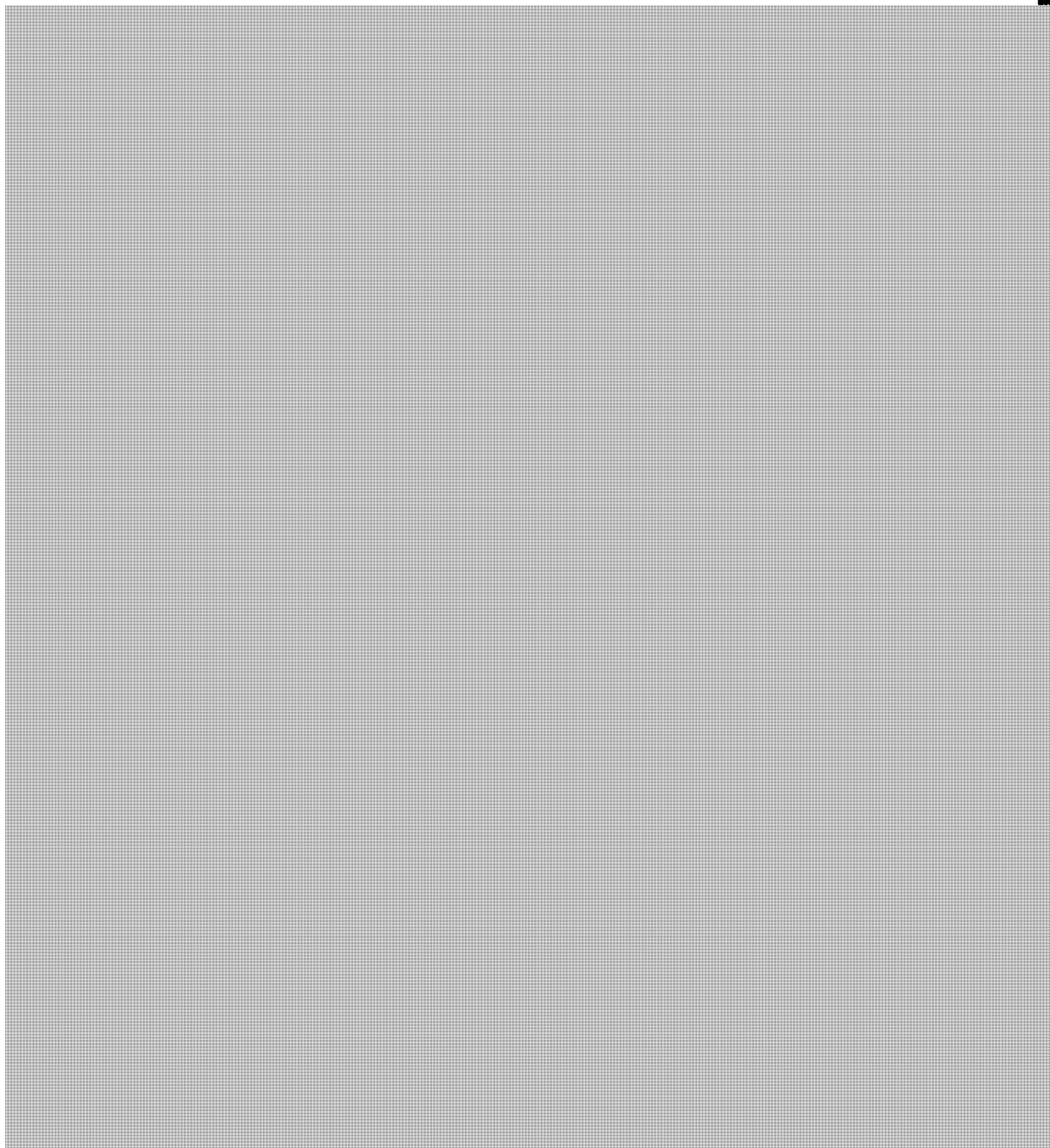
TO: Chief, Intelligence Unit, Ottawa  
2nd July, 1974.

PAGE THREE

**CONFIDENTIAL**

To: Chief, Intelligence Unit, Ottawa

2 July, 1974



continued

. . . . .

000639

**Pages 640 to / à 645  
are withheld pursuant to section  
sont retenues en vertu de l'article**

**19(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

AGE TEN

TO: Chief, Intelligence Unit, Ottawa

**CONFIDENTIAL**

2 July, 1974

Paragraph 49

Public Search Office

Paragraph 50

Bell Telephone Directory.

Copy to:

Regional Intelligence Officer/Pacific Region  
Regional Intelligence Officer/Ontario Region  
District Intelligence Officer/Ottawa  
District Intelligence Officer/London

## Loan sharks, drug traffickers brutalizing workers, MPP charges

# Reign of terror in Ontario factories?

By ERIC DOWD

Journal Toronto Bureau

TORONTO — Loan-shark betting and drug - trafficking — both possibly linked to organized crime — are becoming a rifle in many large Ontario industrial plants, Ottawa East MPP Albert Roy charged Tuesday.

In some large plants it has become "as easy to place a bet as it is to borrow a wrench," the Liberal MPP claimed.

Solicitor-General George Kerr agreed there is some bookmaking going on in plants and that drugs are being used by some employees.

He said he does not know of any "trafficking or organized trafficking going on" or of any involvement of organized crime but he added that "organized crime is involved in

bookmaking and narcotic trafficking" in Ontario.

Mr. Roy said he got his information from industrial workers who form a "labor committee" in the Ontario Liberal Party.

The committee recently passed a resolution urging the province to move faster to establish government-owned and operated off-tracking betting shops.

Illegal bookmaking is prevalent all over Ontario, the committee said. Bookmaking in large plants has "become rampant and many workers are being victimized to the

extent of thousands of dollars a year."

The committee said that the "in-plant bookies extend credit to their victims until they get in too deep and must steal or deprive their families to pay off these crooks."

Mr. Roy said the examples quoted to him have been mainly from the Oshawa, Windsor and Sudbury areas.

Most betting is on horse-racing, he said. "You just have to say to a guy on the line 'put me a bet on and you can get it on credit.'"

The people who extend betting credit charge exorbitant

rates, Mr. Roy said. "In Oshawa, I heard of one worker who quickly got \$3,000 into debt.

"He couldn't pay up and the people he bet with told him they would 'take care' of him — they would beat him up — if he didn't pay quickly.

"The man's wife was working and she was able to borrow \$3,000 to pay off his gambling debts."

Mr. Roy said that "apparently the word is around that you pay up, because organized crime is behind this betting."

He said he has no concrete evidence that organized crime is involved in betting in factories — "but it's the type of thing they would move into. Organized crime is already in gambling. Here you have workers comparatively well paid and easily accessible on a plant floor."

Mr. Roy said drug-trafficking in plants "is apparently quite widespread." The trafficking appears to be mainly in hashish and LSD.

"One fellow in Sudbury, in the mines, told me it is no problem at all to get drugs in the mines."

Mr. Kerr said the officials in industry and police "do their utmost" to stop betting. "We think we are obtaining some success in minimizing this activity."

The problem, he said, is

that workers who complain about betting being carried on in their plants are often reluctant to identify those involved.

Ontario has said it wants to make off-track betting, in government-run shops, legal, but is stalled because the federal government will not change the Criminal Code to permit this.

P.A.

MAY - 1 1974

OTTAWA JOURNAL

Main-d'œuvre et Immigration  
Service d'information  
Manpower and Immigration  
Information Service

**Page 648**

**is withheld pursuant to section  
est retenue en vertu de l'article**

**13(1)(a)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

Copy to Danlop  
of Kelly. Author  
is a member  
of I.E.I.U.  
Reply directed to  
him.

Mrs. Joulanne:

This was  
passed to me  
by Mr. Joulanne.

Will you see  
if we can assist  
please and have  
appropriate reply  
made.

2/22/2

**Pages 650 to / à 651  
are withheld pursuant to section  
sont retenues en vertu de l'article**

**13(1)(a)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

[redacted]  
NR/C. February 25, 1974.

[redacted]  
- Toronto

[redacted] - NR  
Worson, Quebec

JH 5/2/74



## MEMORANDUM

CLASSIFICATION

TO  
AChief  
Intelligence Section  
IDHQ - Ottawa

RECEIVED

JAN 14 1974

I. UNIT  
OTTAWAYOUR FILE No.  
Votre dossierOUR FILE No. IH255-MD-1  
Notre dossier

DATE January 9, 1974

FROM  
DeDistrict Intelligence Officer  
Montreal District Office

FOLD

SUBJECT  
Sujet

1.

CARDED 18-1-74 IL  
Marcel Sicottec.c. Regional Intelligence Officer, Quebec Region  
Assistant Director General (Immigration Operations) Quebec Region

**Pages 654 to / à 658**  
**are withheld pursuant to section**  
**sont retenues en vertu de l'article**

**19(1)**

**of the Access to Information Act**  
**de la Loi sur l'accès à l'information**

Song and Dance Routiné

Crime in Old Ontario

By Harold Greer

TORONTO: It's been quite a while since the Ontario government favored us with its song and dance routine on organized crime and it's a pleasure to report, now that it's back, that the old acts are still the best.

The players have changed somewhat since the last time but the scenario is still the same. First, strange goings-on are reported in the media, usually because frustrated police officers have decided to talk to the press.

Whereupon, on cue, the government goes into its act. The minister of justice sings a slow ditty on the theme of y e s-we-have-no-Mafia-here. The attorney-general joins him briefly for a chorus of vigilant-ever-vigilant. And the solicitor-general, or the Lord High Policeman as he is sometimes called, does a soft-shoe shuffle to the tune of mum's-the-word.

The last time the act played these parts, Allan Lawrence, now of the Ottawa stage, was minister of justice and it was a case of cruel miscasting. Mr. Lawrence had fantasies of crime-busting and he couldn't quite muster the air of slow-footed complacency which the role requires. The plot then had to do with organized crime in the construction industry, and despite Mr. Lawrence's best efforts to talk it away, a public inquiry eventually had to be set up, as a result of which it has been disclosed that there is more organized crime in the construction industry than you can shake a stick at.

This time the plot concerns the activities of the Detroit mob in the Toronto area. According to the Financial Post, there is (amongst other things) a prominent Toronto lawyer-businessman who is "laundering" the Detroit Mafia's ill-gotten money by investing it in legitimate businesses here. As a sub-plot to this, the Metro Toronto chief of police, Harold Adamson, has asserted on television that organized crime has infiltrated the licensed liquor outlets and related businesses in Toronto and elsewhere in the province.

George Kerr is now playing the part of minister of justice and he acquits himself admirably, mixing a genuine dullness with a convincing ignorance.

He wasn't aware of any infiltration by organized crime into licensed premises, Mr. Kerr said, but if any such infiltration was taking place, he was sure the police are aware of it. As for the Financial Post report, it struck him as "allegations based on hearsay" in which the main complaint seemed to be the federal government's lax immigration laws that allow these undesirables to commute between the United States and Ontario.



If Mr. Kerr is good as minister of justice, John Yaremko's performance as solicitor-general is simply superb. No one can possibly be as dumb as Mr. Yaremko pretends to be, but he has you believing him right from his opening lines. His number "On Top of the Matter" — taken from his speech in which he "assures the people of the province of Ontario" that the police are "very much aware of the matter" and are, in fact, "on top of the matter" — is positively a tour de force.

Consider, for example, the stanza in which he explains why he cannot reveal what action, if any, is being taken against the lawyer-businessman who is "laundering" Mafia money:

"There may come a time, Mr. Speaker, When the solicitor-general will have to take the position That to continue to say that something is not in the public Interest to disclose that perhaps there may come a time when The solicitor-general will have to disclose certain things

In order that the public themselves may be aware of what the Ontario Provincial Police are doing in this field.

"The matter of criminal intelligence Is a very difficult one and is one which has In the public interest been reserved.

Now there may come a time, There may come a time when certain aspects, Without going into specifics, May have to be revealed. I do not think that presently is the time."

For an encore, Mr. Yaremko does a colloquy with reporters outside the legislature. This can vary from performance to performance but the following gives the flavor.

Q. It's not a crime, is it, to "launder" Mafia money, that is, to invest it in legitimate business? Then why not say who this lawyer is?

A. That would be guilt by association, it would leave an inference.

Q. But isn't he guilty of association, if he is laundering Mafia money? Do you approve of laundering? Why not expose him?

A. It would be unfair to identify him unless he breaks the law. Under our system, a person is only guilty if he is found to have broken the law.

Q. Then what can the police do, except sit and watch?

A. That's exactly it: They sit and watch. And these people, knowing the police are watching, will either take their money elsewhere or get themselves involved here to the degree where they will commit some act that will lead to prosecution.

Q. But how are legitimate businessmen to be warned against laundered Mafia money?

A. They must be alerted. They are alerted by newspaper articles.

Q. But how are they to be alerted if you won't say who this man is?

A. That would be guilt by association, it would leave an inference ...

WPG FREE PRESS  
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Good  
23-1-74

# Vic Cotroni tops in organized crime, QPF prober claims

By EDDIE COLLISTER  
of The Gazette

Vincenzo "Vic" Cotroni, 63, who claims he can't read or write, was identified by an organized crime investigator yesterday as the leader of Montreal's underworld.

"We can prove this beyond a shadow of a doubt," Cpl. Bernard Couture told the

Quebec Police Commission probing organized crime.

The plainclothes Quebec Police Force investigator was the first witness heard by the commission as public hearings resumed after a prolonged recess.

Couture told the three-man commission, chaired by Judge Rheal Brunet, the "proof" was gathered by police in six

years of surveillance and electronic eavesdropping.

"The underworld here is divided into four separate organizations and each answers directly to Vic Cotroni," the officer said.

## ORGANIZATION CHART

He produced an organizational chart and named "lieutenants," in four crime branches.

"They are headed by Paolo Violi, Nicolas "Cola" DiIorio, Frank Cotroni and the late Louis Greco," he said.

Couture said the four criminal factions are involved in narcotics, gambling and loan sharking.

"Vic Cotroni didn't take orders from anyone and always made the decisions on the operations of the four organizations," Couture claimed.

He said police recorded more than 200 meetings between Vic Cotroni and his lieutenants.

"Vic always met DiIorio at 6:30 p.m. each Monday in well-known Montreal restaurants, and with the same lieutenant or one of the others on Thursday afternoon," Couture said.

He said meetings took place at Moishe's Steak House, the Sirloin Barn, or the Barnsider Sirloin Pit.

## NAMES HENCHMEN

He identified DiIorio's henchmen as Angelo "Angie" Lanzo, William O'Bront, a wealthy Montreal meat merchant, Romeo Bucci, Frank Dasti and Irving Golstein.

Couture said Vic Cotroni's right-hand man, "his confidant, administrator or private secretary," was Armand Courville, a former professional wrestler.

Cotroni's brother Frank worked closely with Claude Faber while Lanzo was DiIorio's "secretary," he added.

Louis Greco was killed Dec. 3 in an accidental fire in the Gino Pizzeria, a restaurant he operated on Jarry St., East.

"Michel Pozza was Greco's administrator," Couture told the commission, "however, we haven't been able to establish if Pozza will succeed Greco."

Couture said organization members were encouraged to "build up contacts in all segments of society."

## AIM TO CORRUPT

The aim here, he said, was to "corrupt government officials, policemen or civil servants."

Couture said police have evidence that Dasti was involved in "political interference."

A Snowdon resident, he is serving a 20 year prison term in Louisburg, Penn., on a heroin smuggling conviction.

His name and DiIorio's came out in published reports of meetings with the late Pierre Laporte prior to the 1970 provincial election.

Laporte labor minister, in the Bourassa government was killed in October, 1970, by Front de Liberation du Quebec (FLQ) terrorists.

## 'UNTOUCHABLE'

Vic Cotroni, of 3033 Sherbrooke St., West, testified before the crime commission on Feb. 7 after Pacificque Plante, former Montreal deputy police chief, identified him as "an untouchable in the 40s and 50s."

"Detectives were afraid to touch him (Cotroni) for fear of being fired," Plante told the commission.

Claim's that he runs Montreal's underworld probably won't surprise Cotroni.

He sued for "moral damages" after Allan Phillips described him as such in a "Mafia in Canada" series published in Maclean's Magazine in 1963.

# Police say Vic Cotroni top in underworld here

Vincenzo "Vic" Cotroni is the top man in the Montreal underworld, according to Quebec Police Commission investigator Cpl. Bernard Couture.

He told the probe on organized crime yesterday, "Vic Cotroni didn't take orders from anyone and always made the decisions on the operations of the organizations."

Couture said the underworld is divided into four separate organizations and each answers directly to Vic Cotroni.

The evidence, he said, was gathered from reports of more than 200 meetings between Cotroni and his lieutenants.

Couture also named the lieutenants heading up the

four organizations running such activities as narcotics, gambling and shylocking.

And each member of the organizations was encouraged to build up contacts with all segments of society as part of a well-laid plan to "corrupt government officials, policemen or civil servants."

(See details, Page 3)

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ours. Sure, there's a lot of insensitivity, but I'm always amazed by the quick, positive reaction of vast numbers of people to the appeals for help that are made in this column from time to time for folks in less fortunate circumstances. It's breath-taking.)

The mail always keeps you aware there are people with

there were many other people in the same situation) I would either have to pay the \$27 or go to jail for six days.

I am writing Dorval this day to say that since I have already paid those two tickets and since I am unemployed, I will not pay the \$27. I will tell them to come and get me to serve the six days in jail. (Copy of that letter enclosed.)

Yves Landry, St. Leonard.

## Question of identity raised in Cotroni extradition case

No evidence has been presented to show the Frank Cotroni sought by U.S. authorities on a narcotics charge is the same man facing an extradition hearing here, a lawyer contended yesterday.

"You have no proof that the person before you, Frank Cotroni, is the person named in the true bill," — returned by a federal grand jury in the Eastern District of New York — said Leo Rene Maranda.

He is representing Cotroni, 42, at the hearing before Queen's Bench Justice Rush-ton B. Lamb.

Also facing extradition is Guido Orsini, 38. Both men are charged with conspiracy

to import 19.3 pounds of cocaine into the United States and of facilitating its importation between December 1970 and April 1971. Value of the drug was estimated at \$3 million.

Justice Lamb will make his ruling on Dec. 11. The judgment date was set yesterday after almost a full day of representations by Maranda and Crown Attorney Louis Philippe Landry.

### BEHIND BARS

Maranda challenged the validity of certain documents implicating Cotroni.

He argued that an affidavit by Giuseppe Catania, an American now behind bars, only implicated Cotroni in activities in Canada and Mexico.

In such a case, Cotroni would be liable to prosecution in Canada or Mexico but not in the United States, Maranda said.

Maranda, assisted by Myer Gross QC, also contended there was no proof of the existence of the cocaine which Cotroni and others are accused of having handled.

"In extradition proceedings, the accused has three strikes against him from the start," Maranda said.

"His only hope is that the catcher will drop the ball.

### BALL DROPPED

"In this case, the catcher did drop the ball and Frank Cotroni has the right to run."

Landry said that sufficient evidence had been presented to warrant extradition.

In his affidavit, Catania says he identified Cotroni from pictures, Landry said. Catania also described a transaction involving cocaine and told of being paid by Cotroni.

Landry dismissed as a "sophism" the claim that Cotroni's alleged offences were committed outside the United States and therefore not subject to U.S. courts.

The cocaine was allegedly delivered in New York, Landry said. This fact alone gave the New York court the right to prosecute any conspirators

or accomplices in the delivery.

Maranda contended that "the proof is so deficient, there is no likelihood of conviction."

### ONE OR BOTH

He asked the judge to consider both charges against his client separately.

In the event extradition is granted, Maranda asked that Justice Lamb specify if it is accorded for only one or both

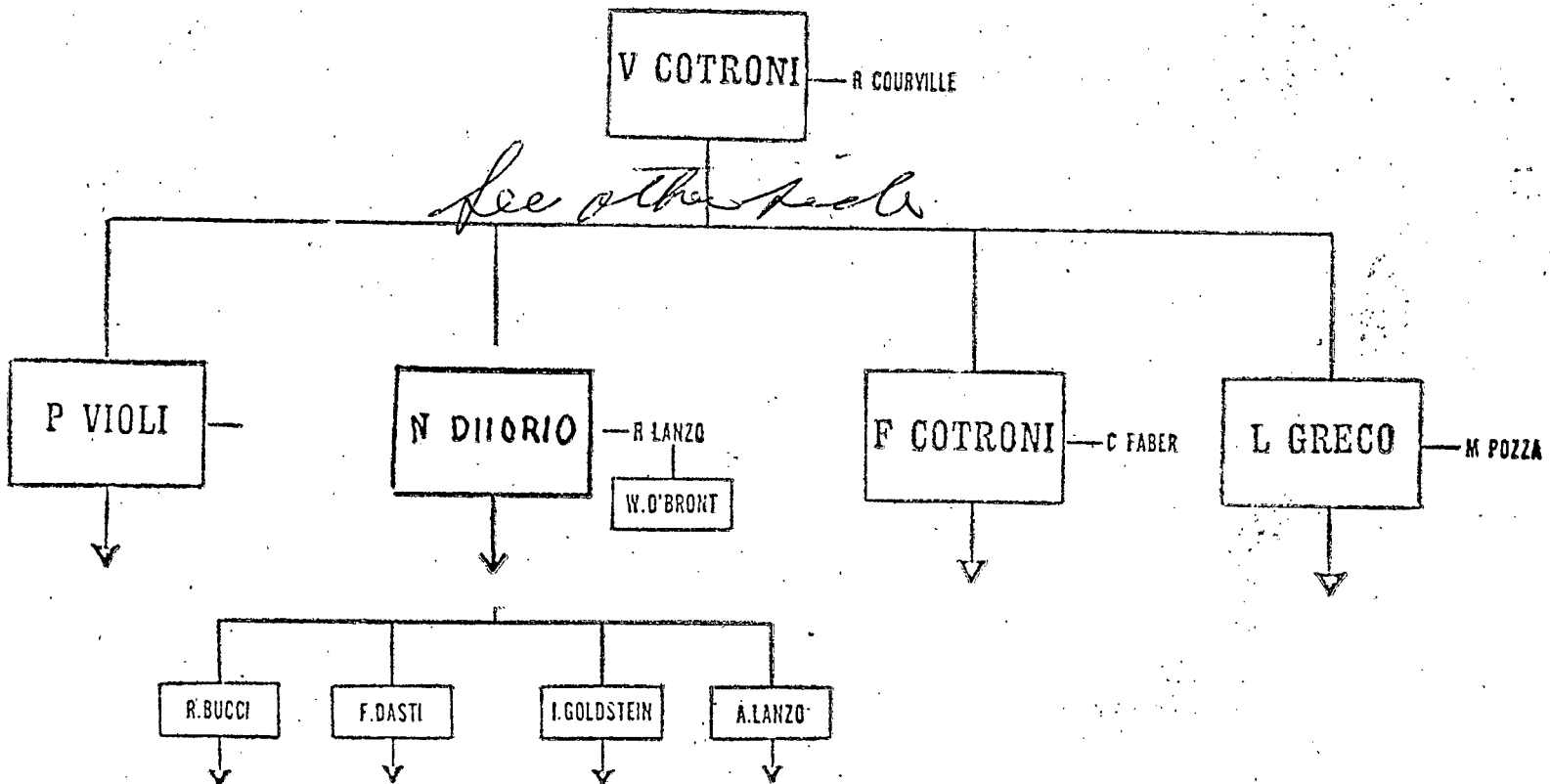
charges.

If sent to the U.S., Cotroni can only be tried on the charge for which he is extradited.

Orsini's lawyer Sydney Leithman contented himself with endorsing Maranda's arguments.

Another Montrealer, Frank Dasti, was indicted with Cotroni and Orsini and five other persons. He is serving a 20-year sentence in the United States on another narcotics conviction.

MTL GAZETTE 78-11-73



This is the diagram a QPF investigator claims is a map of Montreal's hierarchy of crime.

L.L.

Please place copies  
on our

Stock Security  
~~Commercial~~ Fraud  
and

Organized Crime  
General

Also card Cleveland's

name to rpt date

& file it

65

7/12

000663

COPY FOR: IH247-1  
IH255-1

Government of Canada  
Gouvernement du Canada

MEMORANDUM

NOTE DE SERVICE

Chief, Intelligence Section,  
Home Services Branch,  
Ottawa.

Regional Intelligence Officer,  
Vancouver Regional Office.

SECURITY CLASSIFICATION - DE SÉCURITÉ

CONFIDENTIAL

OUR FILE - N/RÉFÉRENCE

IH247 - P - 1 # 20

YOUR FILE - V/RÉFÉRENCE

HQ3-93888

DATE

November 26, 1973.

RECEIVED

NOV 28 1973

I. UNIT  
OTTAWA

SUBJECT  
OBJET

ELDON LIONEL CLEVELAND.

1. The above mentioned subject died on November 9, 1973 at St. Paul's hospital in Vancouver, B.C. of apparent heart disease. We had developed a provisional file on him in advance of a 600 file which, because of his death, we were not able to materialize.

2. He first came to our attention on August 21, 1972 when Intertel Toronto asked us if we had any information on him immigration-wise. They advised us that they had some civil papers to serve him. They described him as being a mining genius, who along with [REDACTED] defrauded Howard Hughes of several millions of dollars.

3. We were able to place him in Vancouver but were unable to establish a permanent address. He kept on the move and eventually ended up in Edmonton, Alberta where he applied for status under the Adjustment of Status Program.

4. Our complete provisional file is attached hereto as you may wish to review the contents in conjunction with the [REDACTED] file who is an applicant for landing in Vancouver, B.C.

5. CLEVELAND [REDACTED] are examples of the growing recent trend of aliens from the U.S.A. coming into Canada, seeking status by subterfuge, misinformation, delays and duplicity in order to escape the consequences of their criminal and civil responsibilities in the U.S.A.

6. Please return our file when it has served its purpose there and we will then retain same until the [REDACTED] case has been cleared up.

CARDED 7-12-73 IL

s.19(1)

*St. Louis*

000664

# Police here fear killings start of underworld war

By STEVE KOWCH  
of The Gazette

Police fear a new round of underworld bloodshed has been sparked by five recent killings in the Montreal area.

"... everyone in the underworld is becoming paranoid," a police spokesman said yesterday. "They're worried they will be the next to be bumped off. To offset this, they'll probably act to protect themselves."

On Wednesday night the bodies of Edouard Chiquette, 36, of 8507 Chantenay St. in St. Leonard, and Robert De Courcy, 32, of 6085 Place Desgroseillers, Ville d'Anjou, were found in the trunk of a burned out car.

## SILENCER

Both had been shot in the back of the head a total of seven times with a .38 calibre pistol equipped with a silencer.

On Sunday Mrs. Lise Cote, her five-year-old son, Francois, and Marcel Levesque were shot to death in Ste. Anne des Plaines by three men while they slept.

The man who police believe was the intended target, Donald Cote, 41, escaped death.

Chiquette and De Courcy were prime suspects in the case.

Their bodies were found in the trunk of a car parked behind the Castel Francois Restaurant at 5900 Metropolitan Blvd., E.

The badly burned bodies were identified by rings on their fingers.

The third prime suspect is on the run.

The Gazette has learned the suspect, whose name isn't being released, had been under constant police surveillance the day the two men were found.

Police were hoping he would lead them to De Courcy and Chiquette.

"A tail was placed on him but they lost him shortly after it was broadcast on the news that two men were found in the trunk of a car," the source said.

"The guy being followed by us went berserk when he heard this on the news. He started driving fast and going the wrong way on side streets," the source said.

Police were unable to keep up with the car.

Chiquette and De Courcy were both known to police.

The two had been free on \$50,000 bail since Sept. 14 on a charge of hashish smuggling.

Chiquette's name also had come up at the Quebec Police Commission inquiry into organized crime.

MESSAGE INTERBUREAUX

M. & 1.461 (8-69) 7530-21-029-3344

**Page 667**


**is withheld pursuant to section  
est retenue en vertu de l'article**

**19(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**




## INTER-OFFICE MEMOGRAM

## MESSAGE INTERBUREAUX

TO / À <b>RECORDS OF ENTRY</b>	FROM / DE <b>Ilona Intelligence Section, Room 858.</b>	FILE NO. - ORIGINATOR REF. - EXPÉDITEUR <b>IH255-1</b> FILE NO. - ADDRESSEE REF. - DESTINATAIRE <b>IH255-E-1</b>
SUBJECT SUJET		
<p>MESSAGE</p> <p><b>1097 CHECK, PLEASE.</b></p> <p><b>-2 COPIES-</b></p> <p><b>s.19(1)</b></p> <p></p> <p><b>Period: 1968 to 1973.</b></p> <p>DATE: <b>10 October 1973</b> SIGNATURE: <b>I. M. Lepin's</b></p>		
<p>REPLY / RÉPONSE</p> <p><b>NIRasNI 1968 to Sept 73</b></p> <p><b>10 Oct 73 A.A.</b></p> <p>DATE: SIGNATURE:</p>		

## INTER-OFFICE MEMOGRAM

## MESSAGE INTERBUREAUX

TO / À Records of Entry	FROM / DE I. M. Lepinis, Intelligence Section, Room 858.	FILE NO. - ORIGINATOR RÉF. - EXPÉDITEUR IH255-1 FILE NO. - ADDRESSEE RÉF. - DESTINATAIRE IH255-E-1
SUBJECT SUJET  LANDING RECORD CHECKS, PLEASE.		
MESSAGE <div style="text-align: right;">s.19(1)</div> <p>1.  1952 attached          Period: 1947 to 1973</p> <p>2.           Period: 1947 to 1973</p> <div style="text-align: right;">DATE: 4 October 1973      SIGNATURE: <i>I. M. Lepinis</i></div>		
REPLY / RÉPONSE <p>(1) N/R as L-1 71-72 to July 31/73 &amp; avail Aug. 13</p> <p>(2) N/R as LI 71-72 to July 31/73 &amp; avail Aug 13 JB          N/R no LI 1952-70          NR 47-5</p> <div style="text-align: right;">DATE:      SIGNATURE:</div>		

s.19(1)

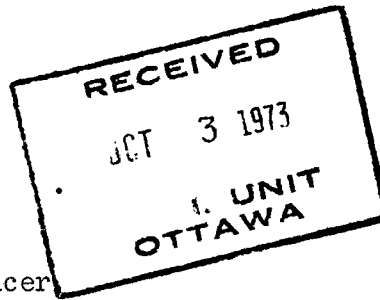


TO  
A

# MEMORANDUM

CLASSIFICATION

Manager,  
Intelligence Section,  
Ottawa.



YOUR FILE No.  
Votre dossier

OUR FILE No. IH255-E-1  
Notre dossier

FROM  
De

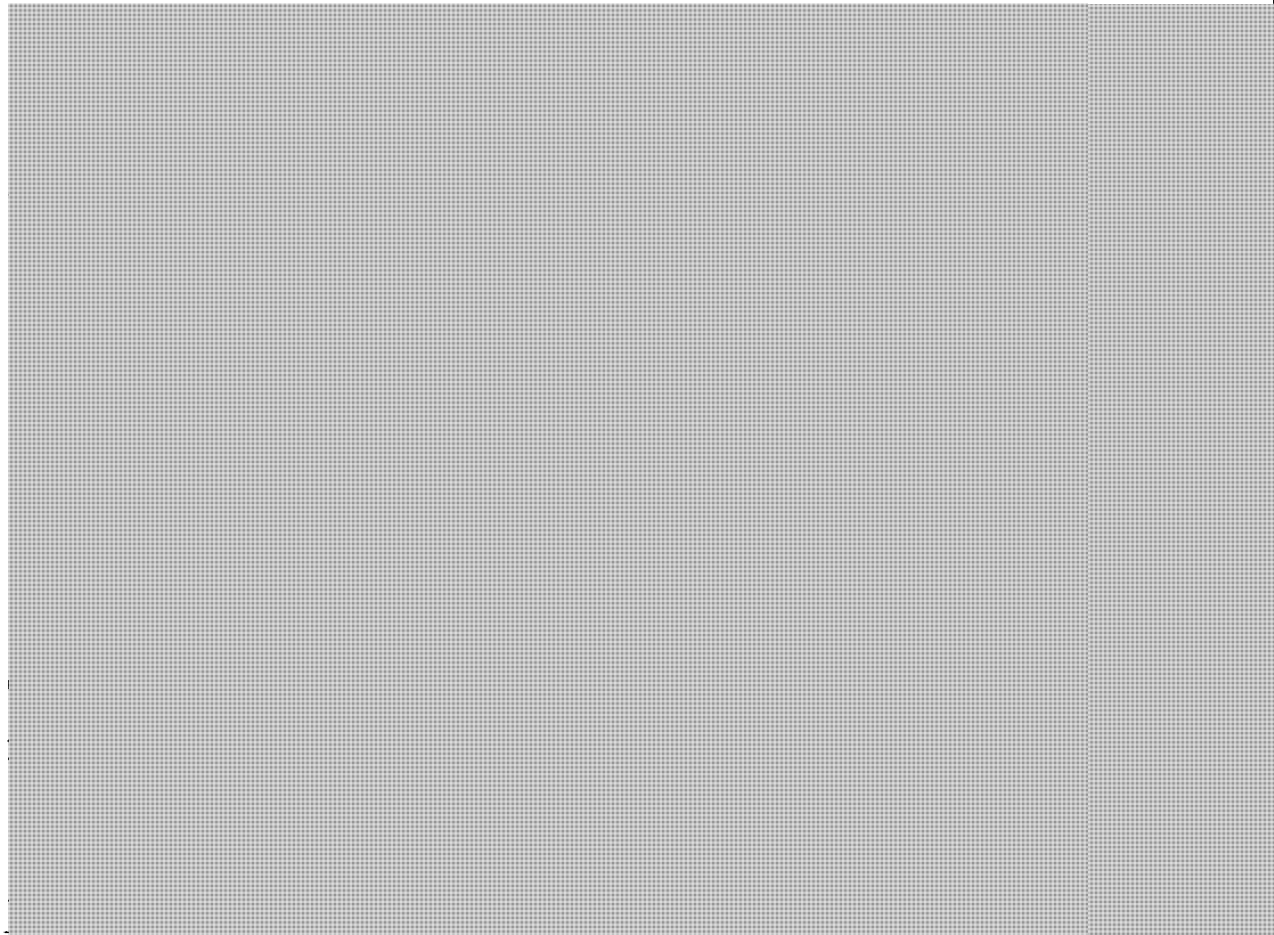
for/  
Regional Intelligence Officer  
Quebec Region.

DATE  
October 2, 1973.

FOLD

SUBJECT  
Sujet

Re: Criminal Organizations - General



*J. P. Séguin*  
J. P. Séguin,  
Field Intelligence Officer.

*WK*  
i/c

*10/13*

c.c.: Director of Immigration Operations, Quebec Region.

000670

s.19(1)



Government  
of Canada

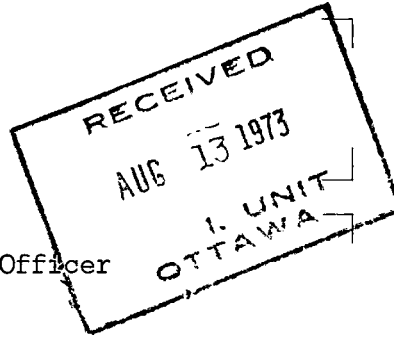
Gouvernement  
du Canada

# MEMORANDUM

# NOTE DE SERVICE

TO  
À

Manager  
Intelligence Section  
Ottawa



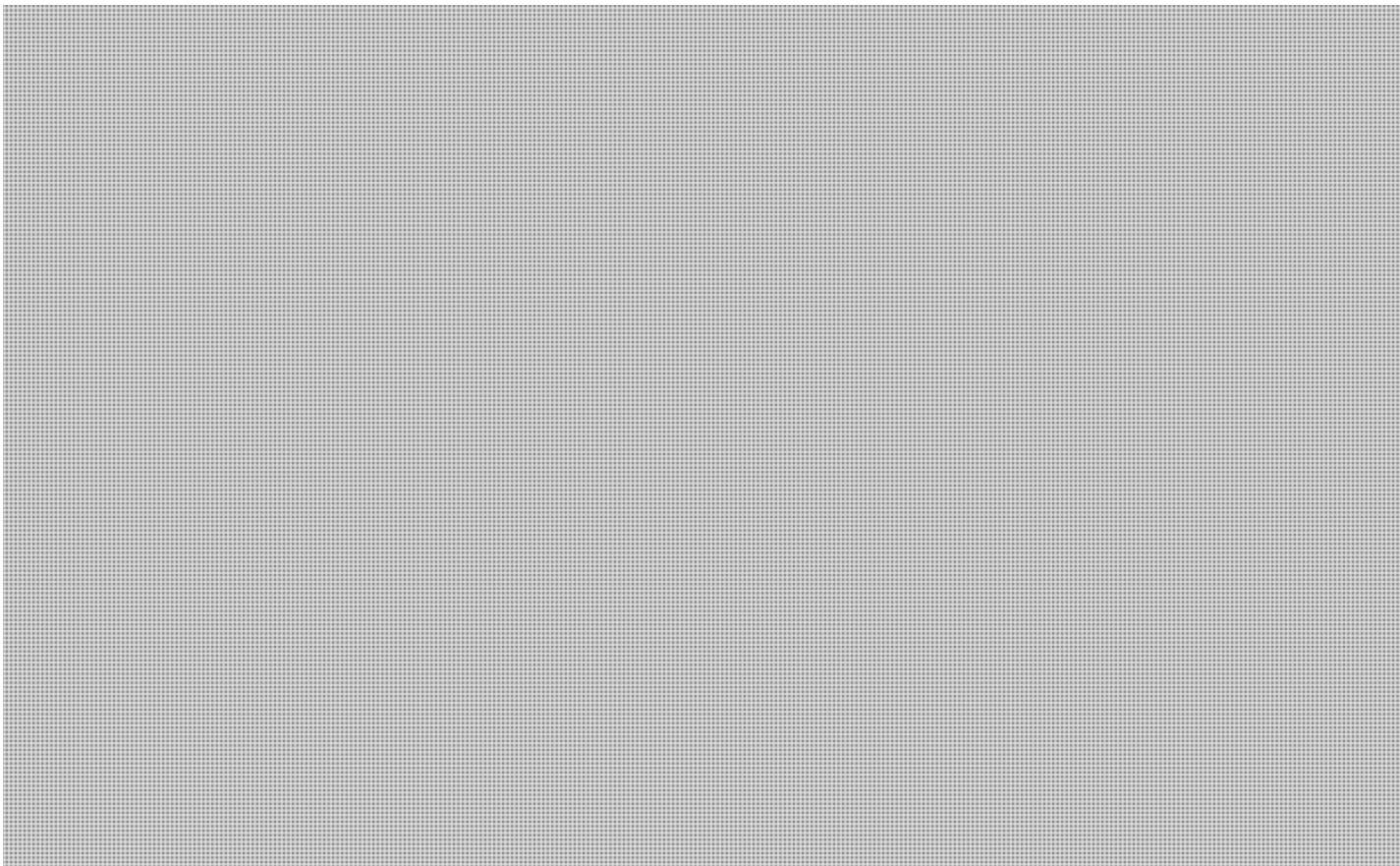
FROM  
DE

Regional Intelligence Officer  
Quebec Region

SECURITY - CLASSIFICATION - DE SÉCURITÉ
OUR FILE - N/RÉFÉRENCE  IH255-E-1
YOUR FILE - V/RÉFÉRENCE
DATE  August 1st 1973

SUBJECT  
OBJET

Criminal Organizations - General



*WK*  
i/c

*Noted  
1/12  
15-8-73*

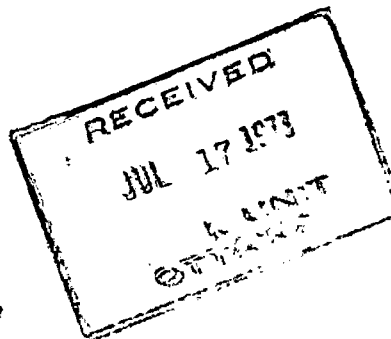
*R. Seguin*  
R. Seguin

Field Intelligence Officer

c.c. Director of Immigration Operations, Quebec Region

s.19(1)

Administrateur de district,  
CIC Montréal



IH255-E-1

Agent régional de l'intelligence,  
Région du Québec

le 13 juillet 1973

Organisations criminelles - Général

1. Pour faire suite au mémoire du 6 mars 1973, je viens d'établir qu'il n'y a aucun antécédent judiciaire au bureau du F.B.I. ainsi qu'au bureau de la police de l'État de New York car [redacted]

*[Signature]*  
1/c

*[Signature]*  
P. Seguin  
Agent de l'intelligence

c.c. Chef, section de l'intelligence, Ottawa

*[Handwritten note]*  
7/16/73

7/17 2557

MTL GAZETTE

11-7-73

## Japan's gangs see Mafia role

By MITSUO KIMURA

TOKYO — (AP) — How so? Family of Godfather has honorable Japanese branch?

Not exactly, but the Japanese national police are concerned enough about organized crime to have launched Operation Crush and Cleaning against mobsters at work in this land of law and order.

Police say the estimated 124,000 Japanese gangsters run gambling and loan shark

ing operations, drug trafficking and business shakedowns. They are trying to infiltrate legitimate business.

They are well bankrolled for the expansion. Kazu Hirabayashi, superintendent of the National Police Agency, said authorities confiscated about \$9 million in raids on gambling dives alone last year.

Like many other things, crime is different in Japan. Although there are burglaries

and an occasional killing or kidnapping, the streets of Tokyo and other major cities are generally safe at night.

But police have become worried about a merger between the Japanese underworld's top two gangs and their moves toward muscling into above-board business.

### SEEKS CONTROL

Hirabayashi said the merger of the Yamaguchi-Gumi gang from Kobe in western Japan and the Inagawa-Kai from Tokyo reflects a move by the Yamaguchi-Gumi to become the "underworld ruler" without a gang war.

"We regard this merger as Yamaguchi-Gumi's major step in Tokyo, where its influence has been small," he added in an interview.

1H 255-1

4-6-73  
B.C.

# WHEN FRANK COSTELLO RULED QUEBEC

Nat K. Perlow, editor of the Police Gazette, was a top investigator for Sen. Estes Kefauver's crime committee during the heyday of underworld overlord Frank Costello who has just died in the United States. In this exclusive report Perlow tells how Costello operated a crime empire from Montreal

The violent years of the 1920s and early 1930s, when Montreal was the bootleg capital of North America, is a chapter of Quebec's underworld history that the Crime Commission won't probe.

Yet the seeds of many great fortunes and the pattern of today's rackets in Canada were sown in those bloody years.

It was an era when the money of American racketeers elected public officials and bought the necessary police cooperation to protect their smuggling operations from U.S. authorities.

It was an era when Frank Costello was the financier who bankrolled Quebec's politics—the mystery man who ruled the province.

Costello's shadow started to fall over Quebec on a blustery November night in 1920. In Billy LaHiff's restaurant on New York's West 48th Street, just west of Broadway, two men met secretly.

owners of Canadian distilleries. At first the booze merchants thought that Prohibition would cripple their business, but Manny had a plan. It was a scheme that turned into a golden bonanza.

Kessler was the architect of the blueprint of smuggling liquor from Canada to the U.S.A.

Kessler bought a boat, the *Zee Hound*, to make the run from Nova Scotia to points in and around Glenwood Landing in Nassau County, N. Y. The whiskey was trucked to Nova Scotia from points in Quebec, then put aboard the boat which then headed down the coast.

Once in the States, Manny needed tough guys to keep the liquor moving. He required an executive with underworld training, who also had the knack of buying political influence. Costello was the man whose qualifications fitted Kessler's ambitious plans.

to operate the neighborhood gambling rackets. Throughout the rest of his life, he never lost his instinct for politics.

By the time Frank met Kessler, he was well connected politically and had an important "in" with a key Prohibition official in New York who was authorized to issue withdrawal permits. These permits provided for the release of booze from bonded warehouses for medicinal purposes or religious ceremonies.

Costello's connection enabled him to get fraudulent withdrawal permits officially stamped and processed by the Prohibition office.

Kessler paid Costello \$2 for each case released. In some transactions, the permits were good for 2,000 to 5,000 cases.

Manny liked Frank, and decided to cut Costello in on bigger things.

The U.S. Coast Guard was putting the heat on the

cases of scotch, worth \$200,000 in the bootleg market, mysteriously vanished from a Long Island mansion which had been raided by the District Attorney's office.

Frank told Kessler the shipment had disappeared during the raid. But Kessler, after a private investigation, accused Costello of "stealing" the scotch and then tipping off the D.A. as a coverup for the theft. Kessler never forgave Frank.

What actually had happened was this: Costello decided to branch out for himself. He was a step ahead of Kessler. Frank had secretly been visiting Montreal and Quebec City. With his canny political instinct, Frank put up the money in key political campaigns and in return got the exclusive franchise to operate in Quebec without interference.

In Montreal, Costello's playground was centered around the Queen's Hotel, adjacent to the old Bonaven-



One was Frank Castiglia, a dapper East Harlem tough guy who had a firm foot in the gambling rackets, and who was later to become better known to newspaper readers as Frank Costello.

The other man was dapper Emmanuel "Manny" Kessler, who had his foot in the bootleg racket, with solid connections in Montreal with people in the liquor industry.

Little did Kessler know at the time he made a deal with Costello that it would be the seed of one of America's most fantastic underworld empires, or that the young tough guy (Costello was then 29 years old) would emerge in a decade as Prime Minister of the Underworld.

Nor did Kessler know that, for the rest of his life, he would regret having met Costello.

The tangled story of that relationship had a peculiar payoff. By a strange twist of fate, Kessler, the man who made Costello, turned out to be the man who forced him into retirement.

Soon after Prohibition became effective in the United States in 1919, Kessler, who had been a legitimate liquor dealer, decided he was going to stay in the business despite the government ban.

An imaginative chap with solid connections in the booze industry, he conceived an ingenious scheme that set the pattern for the bootlegging syndicates—the rum-running racket.

Kessler was a buddy of the

Frank, who was born in Italy, grew up in the seedy East Harlem ghetto. As Costello once told me:

"It was a terrible life in that neighborhood. And worst of all was the discrimination against Italians. The only jobs Italians got were as garbage collectors, bricklayers, ditch diggers and laborers. And the worst thing for the kids were being called 'dago' and

rum-runners and Kessler came up with a new strategy. The plan was simple. Why use boats? Why not run trucks down from Quebec through New York State?

The meeting in LaHiff's restaurant between Kessler and Costello was the beginning of the midnight booze run from Quebec to New York via convoys of trucks.

Costello, with his brother Ed as a partner, set up a

ture Station. He was a man about town and a connoisseur of French food.

Costello always retained a warm feeling for Montreal. A few years ago when I ran into him in Central Park and we reminisced about his travels, he spoke longingly of Quebec.

"A great town," is the way he expressed his sentiment about Montreal.

"If it weren't so damn cold in the winters, I would have probably settled up there."

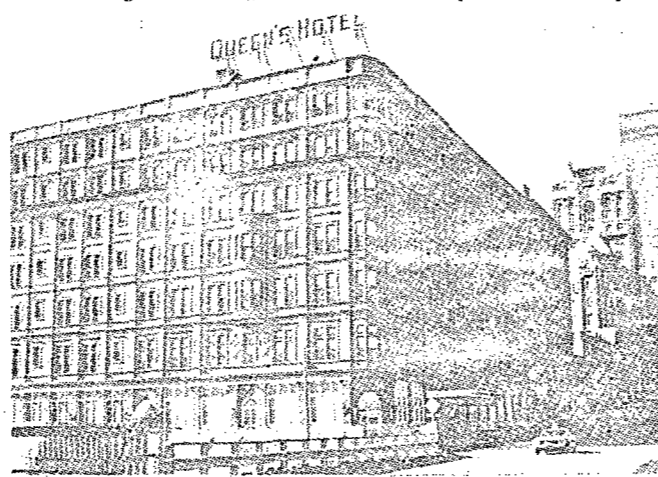
But in the 1940s when his infamy became a household word, Costello never left the boundaries of the United States again.

Frank, mindful of his notoriety, wanted to avoid getting into hassles with immigration authorities.

After making his deal with Quebec politicians, Frank opened an office on Lexington Avenue in New York and started a full-scale bootlegging operation. The truck drivers were recruits from East Harlem and Costello personally supervised the payoffs to officials from the Canadian border down to every local police chief on the truck route.

Kessler and the other rum-runners had their connections cut out from under them. Frank was the boy with the strings. And he had the muscle to hold on to them.

From his Lexington Avenue office, Frank sold his contraband to the large bootlegging syndicates along the entire Eastern



Queen's Hotel, Costello's early Montreal headquarters

wop' in school. I hated school."

It was in this hostile climate that Frank Castiglia grew up. Some of the immigrant children studied hard to overcome their environment and they became doctors, lawyers, singers and artists. Others, like Costello, became tough guys.

But Frank also had a brain to match his brawn. He became active in East Harlem politics and soon had the "right connections"

warehouse in a garage in the rear of Ed's house in Astoria, N. Y., then a sparsely populated area. To transport the booze, Kessler bought five Pierce Arrow trucks.

Frank became Kessler's right hand man. He got to know the jobbers, retailers as well as the big dealers in Canada. All of them were Kessler's valuable connections.

Costello's association with Kessler ended abruptly and bitterly when 1,000

## FRANK COSTELLO

seaboard. Through his door passed the colorful gangland figures of the booze era: Waxey Gordon, Dutch Schultz, Big Bill Dwyer, Owney Madden, Legs Diamond and others.

Kessler faded from the scene, but lived to get his revenge. The Kefauver Committee in the early 1950s dug up the details of Costello's hidden past. But the Committee was unable to find Kessler to serve a subpoena on him.

The U.S. Immigration Service picked up the threads and several years later located Kessler. He was now in his seventies, practically broke, and living in a small apartment in New York's West side.

Unlike other close-mouthed figures of the bootlegging era, Kessler didn't need much prodding to open up.

"I'm the guy who made Costello," he said. "He was just a punk when I met him."

He then gave the sleuths an eye-opening story of Costello's bootlegging past and how he took over the rum-running operations along the Canadian border.

Kessler backed up his statement with a sworn affidavit.

This led to the heat that was to plague Costello for

years, forcing him into retirement.

Kessler's revelations were the basis for the U.S. Immigration Service effort to denaturalize and deport Costello to his native Italy.

Costello fought the government action for years. A federal court ordered Costello denaturalized and the Justice Department moved to deport him.

The case dragged on for years, until the U.S. Supreme Court ruled that wire-tap evidence had been illegally used.

By this time Frank was in his middle seventies, a little too old to come back from retirement and regain his position as the Prime Minister of the Underworld.

A lot of water has gone under the bridge since the booze flowed like a torrent across the border to the United States. Many of the personalities who were the stars of the Prohibition era have faded from the scene.

If the present Crime Commission wants to make a contribution to the history of that time, they should ask the U.S. Immigration Service for a transcript of Kessler's revelations.

After all, Quebec was the patch that sprouted America's crime syndicates and Kessler had plowed the ground.

## ACTIVITY REPORT

9
MONTH OF APRIL 19 73

BRANCH HOME SERVICES BRANCH - ENFORCEMENT DIVISION	SECTION INTELLIGENCE SECTION
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FILE NO.	PROJECT (WITH BRIEF DESCRIPTION)	STATUS	TARGET DATE FOR COMPLETION	REMARKS
<del>IH255-1</del> IH600-771 WS	<u>E3123 - Organized Crime - British Columbia</u>  Vancouver Intelligence Unit is currently involved in two major investigations concerning attempts by U.S. criminal interests to infiltrate the Canadian business scene. References to names and incidents are being withheld for the moment because of the sensitivity of the operations. One involves night clubs, the other stock frauds. A number of the U.S. citizens implicated have applied for permanent residence but have not been landed to date.	Continuing		Information has been appropriately distributed in the Pacific Region.

## ACTIVITY REPORT

7

BRANCH HOME SERVICES BRANCH - ENFORCEMENT DIVISION	SECTION INTELLIGENCE SECTION	MONTH OF APRIL 1973
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FILE NO.	PROJECT (WITH BRIEF DESCRIPTION)	STATUS	TARGET DATE FOR COMPLETION	REMARKS
<del>IH255-1</del> HB	<u>E3038 - Organized Crime</u>  On March 18, 1972, the Conte Supermarket in Toronto was destroyed by explosion and fire. Two persons were killed, the cleaning lady and one of the arsonists.  On April 6, 1973, the store's two owners, both domiciled, were convicted and sentenced to 15 years. Two of their young Italian conspirators are currently being held in Italy. The third, is serving a life-term in Canada for non-capital murder.	Concluded		The involvement of young Sicilians in Canadian crime is of continuing interest to the Immigration Intelligence Section.
IH700-5-12 WS	<u>E3078 - Conferences</u>  Chief, Intelligence Section attended LEIU Conference in Detroit, April 24 - 27, 1973.	Concluded		
IH600-742 HB	<u>E3098 - Brotherhood of Eternal Love</u>  Last month it was reported that 320 acres of B.C. farmland had been purchased by the Brotherhood and that we could expect members to begin arriving on the farm as the weather turned warmer.  Wanted posters issued by police authorities in Dade County California on several of Timothy LEARY's key co-conspirators named in a 19-count indictment charging conspiracy to manufacture and smuggled narcotics, have been circulated to all Immigration Officers along the Canada/USA Border in B.C. D.I.Os in other Regions have been alerted.	Continuing		

7-4-73

TORONTO

STAR WEEKLY

## 2 store arsonists jailed 15 years for manslaughter

By PAT SYKES  
Star staff writer

Two St. Clair Ave. W. grocery store owners yesterday were sentenced to 15 years in prison for manslaughter in the death of cleaning woman Maria Simone, who died in an explosion following a bungled arson attempt last year.

Raffaele Bencardino, 26, and Giuseppe DeCarlo, 27, were convicted by a 12-man supreme court jury last month at an 11-day trial. They were originally charged with non-capital murder.

In sentencing the men, brothers-in-law, Mr. Justice Edson Haines said "the diabolical acts of the conspirators" called for "severe punishment."

Evidence during the trial was that Bencardino and DeCarlo hired four men to burn down their store, the Conte Supermarket, for the \$45,000 insurance money.

Mrs. Simone, 45, of McRoberts Ave., was working in an office in an adjoining

building when the arsonists accidentally blew up the store and two adjoining buildings, killing Mrs. Simone and Pietro Moretti, 20, one of the arsonists.

Paulo Quaranta, 22, another of the arsonists, was seriously injured. He was later tried and convicted of non-capital murder and is now serving a life term.

### BEING HELD

Two other suspects, Santo Presta, 20, and Joseph Logamba, 23, escaped to Italy and are being held there for trial.

The judge said yesterday: "It's bad enough when men of low character indulge in criminal activities, but it is worse when businessmen like these two do. They should be an example to the community."

He said the case called for a sentence which would act as a strong deterrent to others contemplating arson for profit.

Quaranta was the crown's main witness in Bencardino's and DeCarlo's trial. He testified that the two had hired him and the others to burn their store, and said that the owners were in the store and told them to "do a good job, boys."

Later, he came back to court and changed his story. The judge said he believed Quaranta was testifying "in fear of his life."

### MUCH MORE

Yesterday Haines said: "I was convinced (during the trial) that he was much more afraid of retaliation from his countrymen than from the consequences of perjury."

Following the trial, Haines ordered prison officials to take special steps to ensure Quaranta's safety. The Star learned that Quaranta was taken to a prison out of the province under an assumed name.

Before sentencing Bencardino and DeCarlo, Haines ordered the courtroom cleared of spectators because of the commotion Bencardino's mother caused when the jury brought in its guilty verdict March 5.

There were about a dozen uniformed and plainclothes police in the court, ordered by the judge as special security for the sentencing.

boxed  
yes  
16/4/73

DEPARTMENT OF MANPOWER AND IMMIGRATION  
MINISTÈRE DE LA MAIN-D'OEUVRE ET DE L'IMMIGRATION

MEMORANDUM - MÉMOIRE

TO - À:

The Governor

FROM - DE:

V.B.

Please note your request  
on Globe & Mail article  
dated 20/2/73.

Answers to your query  
are in memo 26/2/73  
and Globe & Mail clipping  
dated 10/3/73

Quarantais file  
(Hq 3.58747) is enclosed.

14/3/73

BAC saw  
this material.  
I discussed this  
with him  
V.B.  
14/3/73

clippings  
coupons  
de presse

The Globe and Mail MAR 10 1973

## Italian courts will try two for city bombing

Two Italians charged with manslaughter in the bombing of a Toronto supermarket last year will be tried in Italy.

An official of the Italian justice ministry said today no extradition request had been made nor could be made by Canada since the men are Italian citizens.

Italian law requires a citizen of that country charged with a crime committed in another country to be tried in Italy.

Toronto police have no plans to send detectives to Italy to testify. All the evidence compiled by police, including sworn testimony has already been sent over. It is not expected that Italian authorities will subpoena witnesses.

Joseph Logamba, 23, and Santo Presta, 20, were arrested in Calabria in April after they were tracked down by Metro police. The two are awaiting trial in an Italian jail. No date has been set.

Maria Simone, 45, a cleaning woman, and Pietro Moretti, 20, suspected of having a part in the bombing, were killed when a bomb exploded in the Conte supermarket on St. Clair Avenue West, last March.

Two other men, Raffaele Bencardino, 25, and Giuseppe DeCarlo, 27, originally charged with non-capital murder, were convicted in Toronto Monday on manslaughter.

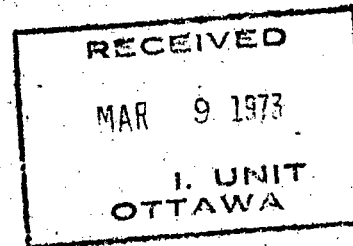
Chief prosecution witness in the trial of Bencardino and DeCarlo, Paolo Quaranta, 22, serving a life sentence after his conviction in October for his part in the bombing, was given special protection in prison by Mr. Justice Edson Haines, after he returned to court saying he had lied in his previous testimony.

Carded  
JP  
16-4-73

PA  
7/10

s.19(1)

Administrateur de district,  
CIC Montréal

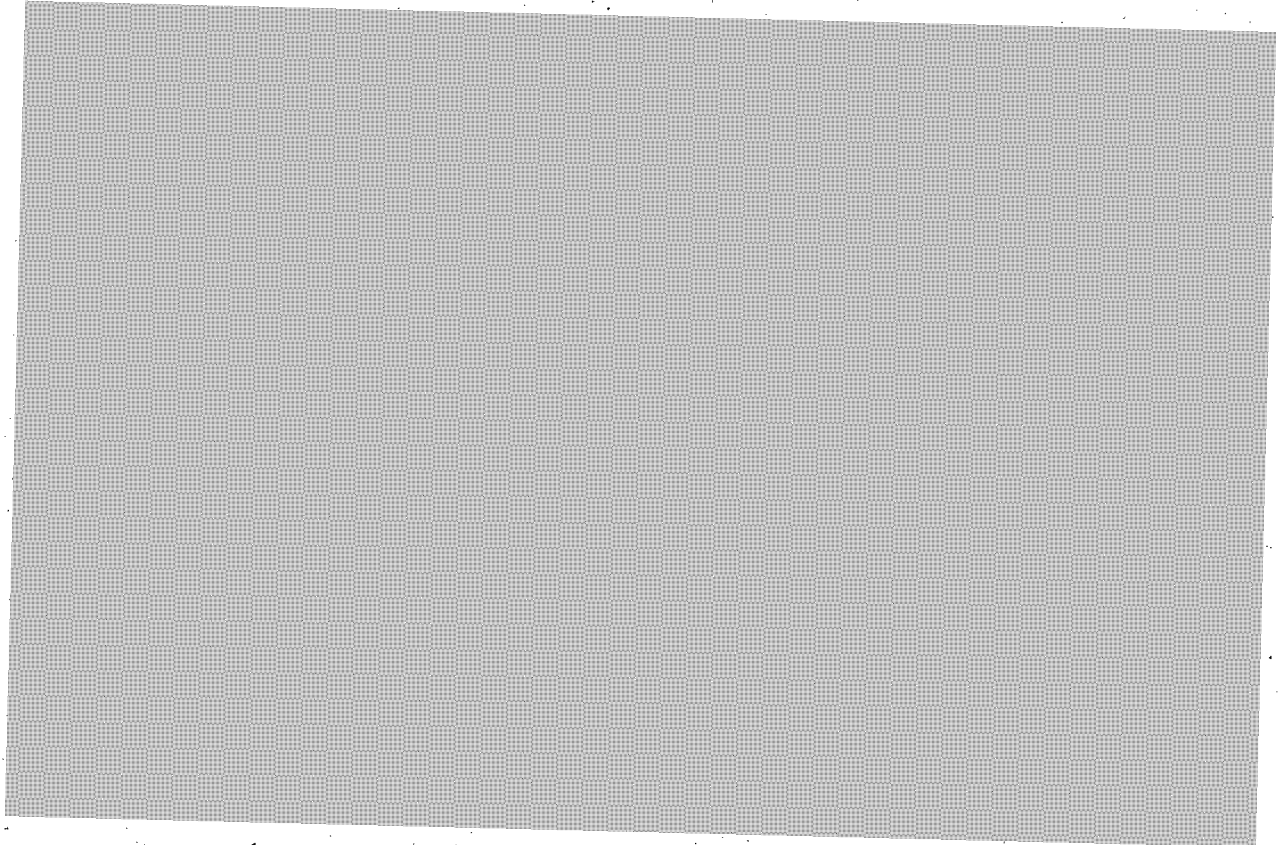


Chef de service  
Unité de l'Intelligence  
Montréal

IH255-E-1

le 6 mars 1973

Organisations criminelles - Général



*[Signature]*  
i/c

*Noted 7/13/73*

*[Signature]*  
R. Séguin  
Agent d'immigration

RECEIVED 28-3-73 IL

c.c. Directeur, section de l'intelligence, Ottawa ✓



## MEMORANDUM

CLASSIFICATION

TO  
A

J. T. Koshman

YOUR FILE No.  
Votre dossierOUR FILE No. IH255-1  
Notre dossierFROM  
De

I. M. Lepinis

DATE February 26,  
1973.

FOLD

SUBJECT  
SujetMen charged in supermarket explosion - 18 March 1972

1. The only HQ's file that there is, is that for Paolo QURANTA, now serving a life sentence for the non-capital murder of Maria SIMONE who was killed in the explosion. As for the others involved:-

(1) BENCARDINO, Raffaele, 25 - Presently on trial

(2) DE CARLO, Giuseppe, 27 - Presently on trial

(3) LAGAMBA, Joseph, 22 - Escaped - believed to be somewhere in Europe.

(4) PRESTA, Santo, 21 - Escaped - believed to be somewhere in Europe.

(5) MORETTI, Pietro - Died in the above explosion.

2. The only information we have in our Intelligence Records regarding the above explosion is a newspaper clipping, G&M, dated April 1, 1972 and the enclosed R.C.M.P. Gazette cards dated March 29, 1972 regarding Joseph LAGAMBA and Santo PRESTA.

3. Enclosed herewith is a photo copy of Ontario Fire Marshal's Office report re: the above fire.

*I M Lepinis*

**Page 683**

**is withheld pursuant to section  
est retenue en vertu de l'article**

**19(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

THIS REPORT IS SUPPLIED TO YOU BY THE FIRE MARSHAL .  
FOR INFORMATION OF YOUR DEPARTMENT ONLY. IT IS NOT  
TO BE MADE KNOWN TO ANY OTHER AGENCY OR PERSON  
WITHOUT THE WRITTEN PERMISSION OF THE FIRE MARSHAL

IH255-1  
COPY FOR: HQ3-56797

## Men charged in supermarket explosion

# Prisoner a prosecution witness in murder trial

A man serving a life sentence for the non-capital murder of Maria Simone, killed in an explosion and fire that demolished a St. Clair Avenue West business block last March 18, was called as a Crown witness yesterday at the trial of two other men charged with the same offence.

Paolo Quaranta, 22, asked for and was granted the protection of the Canada and Ontario Evidence Acts, meaning that the answers he gives cannot be used in any subsequent case against him except for perjury.

On trial before an all-male Supreme Court jury are Raffaele Bencardino, 25, of Hillary Avenue, and Giuseppe DeCarlo, 27, of St. Clair Avenue West.

Testifying through an interpreter, Quaranta told Crown counsel Frank Armstrong that

he knew Pietro Moretti, Santo Presta and Joseph Lagamba.

Mr. Armstrong told the jury earlier that Quaranta was trapped in the rubble; Moretti, 21, died in the explosion; and Presta, 21, and Lagamba, 22, escaped to Montreal.

Quaranta testified that he was "all broken up" in the explosion in the Conte Super-

market, and was treated at Northwestern General Hospital.

He said he reached the supermarket in Lagamba's car, which had gasoline in the trunk. Quaranta said he, Presta and Moretti went to the basement, where they found Lagamba, Bencardino and DeCarlo.

"They said to Santo Presta, 'do a good job'," Quaranta testified.

Mr. Armstrong asked who made the remark.

Quaranta said it was Bencardino. He testified that everything in the basement was in a "mad whirl—upside down—when he arrived.

Quaranta testified that after

they had eaten, he and Moretti went upstairs and Lagamba and Presta stayed downstairs.

Outlining the Crown's case to the jury, Mr. Armstrong said Mrs. Simone, 45, of McRoberts Avenue, worked as a cleaning woman and her husband, Stefano, a clothes presser, started a janitor service.

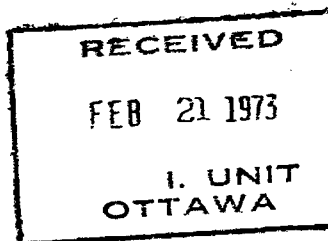
On the night she died, Mrs. Simone was working in a travel agency next to the supermarket.

"Just beyond the wall certain events were coming to a head. Evidence will be that the accused conspired with others to burn down the supermarket for insurance," Mr. Armstrong said. This was to coincide with four persons involved leaving Canada.

Angelo Lisi of Greenwood Avenue testified that on the night in question he heard a blast and thought it was his furnace.

Detective-Sergeant George Thompson described finding Moretti's body at the scene last March 20.

The trial is continuing before Mr. Justice Edson Haines.



*Mrs Fontaine*

*What do we know about accused & others mentioned. Do we have files, bonding records, T.E. records?*

*RM*

*Elb-4-91*  
*agreed*

*HQ3-56797*

*NR/for*

*J+K. I believe we have all this info on file. no doubt we also have files on individuals mentioned*  
*MBT*

**Pages 686 to / à 694  
are withheld pursuant to section  
sont retenues en vertu de l'article**

**19(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

'I don't know who . . . don't know why'

## Fear, unanswered questions in wake of factory bombing

By DOUGLAS GLYNN

"Afraid? Sure I'm afraid . . . I don't know who . . . don't know why," Liberato Simone said as he stood in the sparsely furnished office of the Appia Beverages Ltd. plant at 1100 Queen St. W.

Half a dozen workmen stood nearby as he talked.

Liberato Simone gestured, indicating the plant, and said: "I've got a lot of blood in here . . . this place, it's worth \$100,000."

On Thursday night while he and his wife were out delivering Easter gifts to their God-children a dynamite bomb exploded at the plant. Nobody was hurt, but he and his wife didn't sleep that night.

And he is worried. A number of the men who started out as partners with him in another Italian beverage company nine years ago have had trouble, too. And one of his old employees, Salvatore Triumbari, was murdered in gangland style in January, 1967.

Liberato Simone rubbed his red eyes, shrugged and shook his head every time the ques-

tion of who or why came up.

"Who knows?" "Sure, once before I've had trouble. When I was a partner in Sia (the Sia Manufacturing Beverage Co.) 14 tires on my trucks and my car tires were slashed.

"I got only \$250 from the insurance company . . . it cost me \$1,000."

Mr. Simone is not the only former Sia partner to have had trouble in recent years.

He started the company in 1963 with five other men: Vincenzo Deleo, Cosimo Racco, Salvatore Aglialloro, Alfredo Albi and Joe Triumbari.

Salvatore Triumbari, gunned down on the veranda of his west end home, was a

worker at Sia. He left to open his own business, Cynar Dry Ltd. Before he was killed, his brother, Joe, left Sia to work at the Cynar operation.

Four months after Salvatore's death, a \$100,000 blaze destroyed the Cynar plant, which had been taken over and operated by four Triumbari brothers.

Joe, who was manager, said at the time that he thought the fire was an accident and had nothing to do with Salvatore's death.

In 1968, Corniso Racco—another of the former Sia partners—and his wife were the targets of two shotgun blasts from a passing car. They had been staying in the home of

Cosimo's brother Giuseppe Racco, partner in a bakery.

"I think Cosimo's in Italy," Mr. Simone said yesterday.

Vince Deleo had gone into a bakery business, he recalled, and Salvatore Aglialloro is running his own beverage company. Alfredo Albi is continuing to operate Sia.

The bombing Thursday did about \$8,000 damage, \$4,000 to delivery trucks and about the same amount to equipment.

"I was at a friend's . . . just getting ready to have a cold drink, when the phone rang. It was my daughter. I set down the drink and left . . . it took me 17 minutes to get here from St. Clair Avenue."

The police told him it was a dynamite blast.

"They asked me a lot of questions . . . same as you, but I don't know."

"No, the Mrs. Simone killed in the explosion on St. Clair was no relation . . . I didn't know them," he said, referring to the blast and fire that wrecked a supermarket and travel agency two weeks ago and killed Mrs. Stefano Simone.

Since that explosion five warrants charging individuals with non-capital murder have been sworn out by Metro police. Three men are in custody and two are being sought in Italy.

Liberato Simone thought about that blast for a moment, and wondered aloud what might have happened to him if he had been at his plant when the explosion occurred.

He's not guessing about why it was done. He's wondering if it will happen again.

*Handwritten notes:*  
10-11-72  
11-4-72  
A. J. J.

(Pg. I)

The Globe and Mail

Feb. 3, 1973

COPY FOR: IH700-5-5  
IH255-1 ✓

## Widespread payoff to 'protect' firms, Quebec probe told

By WILLIAM JOHNSON  
Globe and Mail Reporter

MONTREAL — Protection money is regularly paid by more than 1,000 businesses in this city, Montreal's police chief told a provincial inquiry into organized crime yesterday.

Rene Daigneault, director of the Montreal Urban Community Police Force, implicitly contradicted in his testimony statements made last year by Montreal Mayor Jean Drapeau, who said the inquiry on organized crime was unnecessary because Montreal is a closed city when it comes to organized crime.

"Our investigations have demonstrated to us that the existence of this crime is extremely generalized," Mr. Daigneault said of the protection racket.

Owners of pizza parlors, discotheques, bars and garages pay regular sums to the underworld for the privilege of not being molested, the police chief said.

Moreover, he suggested, organized crime has been able to operate fraudulently in legitimate businesses with the complicity of municipal and other public employees.

Using money that comes originally from illegal gambling and money lending at usurious rates, underworld elements penetrated the food industry, notably the distribution of meat, cheese and ice cream, and then began to force out competitors by threats and use of violence, the chief said.

"A few years ago a wave of fires in pizza parlors of the metropolitan area was explained as an attempt to corner the market."

In another sector of the food industry, he said, money coming from "the American Mafia" was used to gain a foothold. "Suddenly we saw the competitors become victims of fires, explosions, of accidents of every kind."

Once organized crime established itself in an industry, it forced retail outlets to buy fixed quantities of the product at inflated prices and it also denatured the quality of the product.

Thus, in the food industry, "some of these enterprises use food unfit for human consumption" to produce their products.

Inspection of food-processing plants does not come under police jurisdiction, Mr. Daigneault said, but is carried out by municipal or other governmental employees "whose inspectors close their eyes out of apathy or more often, because of corruption."

The police chief complained of a lack of co-operation with the police of some government departments, such as the income tax branch.

"The police of the Montreal Urban Community find it hard to understand why, despite several requests for co-operation, the provincial and federal departments entrusted with applying the tax laws seem more interested in pursuing the little taxpayer

for peccadilloes of the order of \$30 or \$50 than those identified as leaders of organized crime who live luxuriously while declaring minimal amounts for income tax."

Recently, he said, a man notorious for his association with organized crime was charged with failing to make an income tax statement for five years.

"One might ask how it happened that such an omission escaped the notice of the taxation division for five years."

Mr. Daigneault's testimony came on the opening day of the inquiry, which is being conducted by the Quebec Police Commission. The inquiry is expected to last several years and to go into all aspects of organized crime in Quebec.

Two of the three commissioners hearing the evidence are judges. A special task force that includes 27 police officers from the Montreal police force, 26 from the Quebec

PROTECTION — Page 2

*The Globe and Mail*

*Feb. 2, 1973*

COPY FOR: IH700-5-5-  
IH255-1  
IH700-5-22

## Protection payoff 'widespread'

● From Page One

Provincial Police and six from the RCMP, as well as lawyers and specialists, has been at work since June preparing for the public hearings.

The first day was taken up with general descriptions of the operation of organized crime by Maurice Saint-Pierre, director of the QPP; Maurice Nadon, deputy commissioner of the RCMP, and Mr. Daigneault.

Mr. Nadon said that information on about 1,000 major figures in organized crime in Canada was centralized in Ottawa at the central bureau of the Criminal Intelligence Service of Canada. The CISC is a co-operative intelligence service of 60 Canadian police departments that have criminal intelligence units. Its central departments that have criminal intelligence units. Its central bureau is operated by the RCMP.

(Mr. Nadon said in an interview that although files were maintained on 1,000 figures there might be about 10,000 people involved in organized crime across the country. "Most are leg men" and not followed at the national level.)

He estimated that about 25 per cent of the major figures operated in Quebec.

(In the interview, Mr. Nadon said that about 25 to 30 per cent of these major criminals were based in Ontario, mostly in the Toronto region.)

The three police officers who testified yesterday stressed the difference between organized crime and other forms of criminality. Organized crime has a hierarchy in which the people at the bottom—"the laborers," as

Mr. Nadon called them—actually executed the criminal acts, were caught by police and appeared in court.

Above this bottom level were what Mr. Nadon called the administrators or lieutenants. They are usually experienced criminals well known to police, he said, but they pass on to the laborers orders that they themselves receive from the top echelons, the directors.

"Thus the leader seldom actively participates in the commission of overt crime," the RCMP officer said. "He is seldom connected to an offence or even suspected of operating behind the scenes."

Mr. Daigneault gave the example of a recent \$1.5-million stock fraud uncovered by the police. The man who carried out the fraud, which involved transactions with stockbrok-

ers and banks, were arrested and convicted, he said.

"But the heads of the organization, who had never set foot in the financial institutions where the fraud was perpetrated, were never taken to court for lack of evidence," Mr. Daigneault said. "And yet they were known to the police."

Mr. Saint-Pierre likened organized crime to a corporation with a permanent and complex hierarchial structure.

Mr. Daigneault criticized the courts for giving light sentences to the lower-echelon criminals in the network of organized crime. The court's sympathy for them, because they are merely the tools of others, makes it easier for the bigger criminals to find pawns, the Montreal chief maintained.

DEPARTMENT OF MANPOWER AND IMMIGRATION

ACTIVITY REPORT

PAGE

8

BRANCH

HOME SERVICES BRANCH

SECTION

ENFORCEMENT DIVISION - INTELLIGENCE SECTION

MONTH OF

JANUARY

1973

FILE NO.	PROJECT (WITH BRIEF DESCRIPTION)	STATUS	TARGET DATE FOR COMPLETION	REMARKS
IH209-1 J. MCL. HB	<u>E3028 - Illegal Immigration - General</u>			
	1. A source of information revealed that VISITORS CENTER TRAVEL AGENCY, Bangkok, Thailand, has prepared falsified school transcripts for several Thailand citizens, enabling them to obtain Student Visas. The Visa Office of the American Embassy at Bangkok has been advised and asked to furnish additional names of students who secured their visas in the same manner. This operation might be widespread and not confined only to one area.	Continuing		The immigration aspects of this investigation are pursued to determine the validity of Thailand Student visas.
	2. A reliable source reported that a group of American Smugglers and arrangers are working out of a smoke shop in Toronto, Ont.	Continuing	s.19(1)	Investigation being carried out in Toronto.

000698



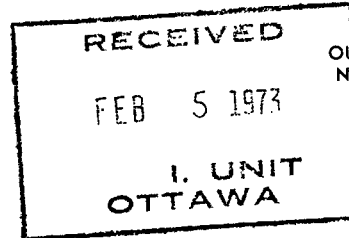
# MEMORANDUM

CLASSIFICATION

TO  
A

Manager  
Intelligence Section  
Ottawa

YOUR FILE No. IH255-1 Vol. 4  
Votre dossier



OUR FILE No. IH255-E-1  
Notre dossier

DATE January 30, 1973

FROM  
De

Officer in Charge  
Intelligence Unit  
Montreal

FOLD

SUBJECT  
Sujet

Criminal Organizations - General

1. Further to your memorandum dated September 19th 1972, information received from [redacted] on July 14th 1972 indicated that his father [redacted] returned to Italy on December 15th 1971.

2. This information was confirmed by officer Talbot of the Montreal District Investigation Unit.

i/c

P. Séguin  
Field Intelligence Officer

s.19(1)

IH255-1 ✓  
IH288-3  
IH600-280

MTL GAZETTE 14-1-73  
**Local businessman freed  
of extortion charge**

ST. HYACINTHE — Montreal realtor Vincenzo (Jimmy) Soccio was liberated here yesterday of an extortion conspiracy charge.

The 65-year-old businessman was liberated by Judge Gilles Belanger after defence council Rolland Blais made a non-suit motion.

Soccio, along with a second Montreal businessman Santos (Frank) Cotroni, 41, were among nine persons arrested in connection with the alleged plot last September.

Cotroni was cleared for lack of proof shortly after the group's preliminary hearing began.

The charges stemmed from a complaint by St. Hyacinthe restaurateur Dyonyos Chionis.

The 39-year-old man claimed there was an attempt to extort a half interest in a \$50,000 restaurant he operates here.

Soccio was sent to voluntary statement on the charges. The procedure gives the defence the right to call witnesses in an attempt to quash the indictment.

Judge Belanger liberated the accused after hearing two defence witnesses.

The eight others charged in the alleged plot are still before the courts.

3  
Power and Immigration Main-d'œuvre et Immigration  
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Le Devoir JAN 17 1973

## Extorsion:

IH255-1 ✓  
IH288-3  
IH600-280

## Soccio libéré

par Jean-Pierre Charbonneau

SAINT-HYACINTHE — L'homme d'affaires montréalais Vincenzo "Jimmy" Soccio a été libéré, hier, par le juge Gilles Bélanger de la Cour des sessions de la paix de Saint-Hyacinthe d'une accusation de tentative d'extorsion à l'endroit du propriétaire du restaurant la Chaumière de Saint-Hyacinthe, M. Dyonysos Chionis.

Soccio avait été accusé, l'été dernier, avec Frank Cotroni et sept autres individus de conspiration en vue d'obliger le propriétaire du restaurant La Chaumière à se départir de 50% de son commerce, évalué à \$100.000.

Au cours de l'enquête préliminaire, Frank Cotroni avait été libéré sur une motion de non lieu après que M. Chionis, tout tremblant, eut déclaré que c'est lui qui avait demandé à rencontrer M. Cotroni pour lui demander de l'aide. Ce témoignage avait eu l'effet d'une bombe dans la salle d'audience et le juge Bélanger, qui avait lui-même présidé la pré-enquête à huis clos précédant les accusations, parut surpris du témoignage et menaça le plaignant de parjure.

Après la libération de Cotroni, l'enquête préliminaire suivit son cours et sept des huit autres inculpés furent envoyés à leur procès. Dans leur cas, la preuve présentée a démontré qu'ils auraient présumément conspiré ensemble pour imposer un racket de protection au restaurant puis le forcer à céder la moitié de son commerce. Des menaces de mort auraient même été proférées par les deux leaders apparents des sept hommes, Pasquale Di Nunno et Mike Galaréo.

Dans le cas de Soccio, à l'issue de l'enquête préliminaire, le juge Bélanger l'envoya à son examen volontaire qui eut lieu la semaine dernière.

A cette occasion, Jimmy Soccio s'est identifié comme un agent d'immeuble effectuant des transactions pour la famille Cotroni, principalement Giuseppe "Pep" Cotroni, dont le gendre Tony Massarelli est d'ailleurs son associé. Soccio a déclaré qu'il ne connaissait aucun des prévenus dans cette affaire. Ayant rencontré M. Chionis par l'entremise d'un ami de ce dernier, il lui a simplement prodigué le conseil qui lui paraissait le plus sage dans les circonstances, soit céder aux exigences des individus qui le menaçaient.

A la suite de ce témoignage, de celui de l'ami du restaurateur menacé et devant la faible preuve présentée à l'enquête préliminaire, le juge Bélanger a libéré Soccio de l'accusation qui pesait contre lui.

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IH700-9-5  
IH700-5-5  
IH255-1✓

London Free Press JAN - 2 1973

# Officer fears weak laws in Canada may create haven for U.S. criminals

By JOE McCLELLAND  
of The Free Press

Weak laws could make Canada a fugitive haven for criminals from the U.S., says a recently-appointed inspector with the criminal investigation branch of the Ontario Provincial Police.

Dennis Alsop said his last case as detective-sergeant with OPP district headquarters at London pointed up his concern about this possibility.

Insp. Alsop moves to the CIB office in Toronto today. He spent Thursday and Friday working on the case in which two Americans wanted by Detroit police for questioning in a police murder in that city were arrested by officers from the Dutton OPP detachment.

The two returned to the United States voluntarily and were turned over to Detroit police. However, if they had refused to go, police here would have been forced to release them. The men couldn't have been held in custody for a deportation or extradition hearing, said Insp. Alsop. Laws are so bad, he explains, that immigration officers can't assist police.

Insp. Alsop said that in the last two years he has had frustrating experiences in trying to hang on to known criminals wanted by U.S. authorities. Even when they are charged with offences in Canada, the law requires that courts release them until they come to trial, he said.

Official U.S. police documents, including fingerprint records, have no legal validity in Canada, he said. All that a fugitive criminal need do is take an assumed identity, and then the police are forced to bring witnesses from as far away as California to testify from personal knowledge that the suspect is the wanted man.

In the Dutton case, because the Detroit murder involved a shootout with police there, the OPP had to assume there might be a gunfight again. Insp. Alsop was called from his home.

As it turned out, the men were unarmed and gave no resistance when arrested at gunpoint at a Highway 401 service centre by OPP officers, to whom the inspector gives high praise for handling the situation so professionally.

A Dutton cruiser had picked up the men when they came upon them stranded by the roadside with a flat tire. They drove them to the nearest service centre as a routine public service.

Meanwhile, the car was checked out and

the pair found to be wanted. Two officers disguised as service station attendants were "planted" in the service centre while others surrounded it. Police arrested the men when they came out of the restaurant to pick up their tire.

Insp. Alsop says there is evidence of an increase in the number of private citizens becoming armed, legally as has been the case over the years in the U.S. He says this is because criminals are no longer held in custody for trial. But he also thinks "the pendulum will swing the other way, the same way as it has in the U.S." He noted laws have been tightened in the U.S. after a period of permissiveness and police authority has been bolstered.

Recent statistics may show a decrease in crime in Ontario, the inspector added, but he attributes this largely to the easy availability of welfare support. People who will not work and would otherwise live by crime find it easier to live off welfare, he says. "Our laws are no deterrent to crime."

Insp. Alsop has been involved in the investigation of every murder and other major crime of almost the last 25 years in OPP No. 2 district, which stretches from Port Burwell to Parkhill.

He recalled that in about 1960 he was the first officer known to have fired the then-new tear gas gun in Ontario. It had just been supplied to district headquarters but no one had yet had time to practice with it, when an emergency occurred in London.

Two holdup men were barricaded in a motel and policemen were expecting to be shot at if they tried to storm the place. Then-corporal Alsop was routed out of bed to fire a tear gas projectile into the room about 5 a.m. He had to fire two because, as it turned out, the first went through an interior wall into the unit's bathroom and the besieged pair only had to slam the door shut.

When Cpl. Alsop returned to his office later he found on his desk a letter from the district superintendent authorizing establishment of special gas gun squad. It had been written the day before the emergency developed and the gun was used.

The course of Insp. Alsop's career to the top criminal investigation office in the province began in his high school days in London nearly 40 years ago, when he took a correspondence course in fingerprint identification.

That course got him interested in police work but he also joined the militia in those high school years and when the war came he went into the army intelligence corps, seeing action in Europe with the 4th Division.

Leaving the army with the rank of sergeant, he joined the OPP 26 years ago and was assigned to London district, first in the Ingersoll municipal detachment of OPP, where in addition to his regular constable's duties he did the identification work for his own and other detachments in the area.

When an official identification section was established for the district in London in 1950 he was promoted to corporal in charge. In 1962, the OPP appointed detective-sergeants for each district and he was given the position in London.

Insp. Alsop said he had previously turned down promotions involving transfer to Toronto headquarters. First it was a promotion to sergeant, and later to inspector with the criminal investigation branch. He declined because his children were younger then and he didn't want to move them to Toronto. Now they are grown and, besides, he feels that if a man continues to refuse promotion or transfer there's danger he'll grow stale.

Insp. Alsop expects to be "living out of a suitcase" in future in his new job, which involves working on investigations across the province. So he's in no rush to move his family to Toronto yet, since he won't be home regularly. He married his Dutch-born wife in Holland during the war. They have two girls and two boys, two of whom are married, the other two still at home.

When he starts his new job as one of 24 inspectors with the CIB, he will be succeeded as detective sergeant in London by Sgt. Murray Peck, effective Jan. 17. Sgt. Peck is now in charge of the identification section at No. 6 district headquarters, Mount Forest.

PA

## ACTIVITY REPORT

7

MONTH OF

DECEMBER

19

BRANCH	SECTION	PROJECT (WITH BRIEF DESCRIPTION)	STATUS	TARGET DATE FOR COMPLETION	REMARKS
HOME SERVICES BRANCH	ENFORCEMENT DIVISION - INTELLIGENCE SECTION				
FILE NO.  IH209-1 HB WS		<u>E3028 - Illegal Immigration General</u>  An investigation is underway to identify groups from Toronto and Hamilton, who, according to a reliable source, are assisting West Indians and South Americans to first enter Canada and then to enter the U.S.A. These groups assisted 9 Guyanese on November 18, 1972; 3 Jamaicans on November 21, 1972; and 10 Guyanese on November 27, 1972. The majority were arrested by the U.S.I.N.S. for illegal entry.	Continuing		Details are sketchy. A Montreal rooming house has been identified as a rendezvous point.
IH255-1 ✓ HB WS		<u>E3038 - Organized Crime - General</u>  According to a reliable source, some pizza outlets in Prince Edward Island are being pressured into buying their cheese and other pizza requirements from a Montreal firm which has a questionable background where organized crime is concerned. One of the pizzerias is said to be owned, in part, by a U.S. citizen who entered Canada in December 1971.	Continuing		The immigration aspects of this investigation are being pursued to determine the identity and backgrounds of all aliens involved. The R.C.M.P. is looking into extortion possibilities.
IH205-1 HB		<u>E3068 - Fraudulent Identity Documents</u>  A Chinese who was previously deported from the U.S.A., returned to New York recently and was arrested. He had in his possession a Malaysian passport which was issued at Penang Island, Malaysia. He had received the passport from a former Chinese travel agent in Hong Kong. The passport appeared to be authentic and bore the picture of the holder, however, the name inscribed on the passport was not his name. He stated that these passports could be bought in Hong Kong for \$1,200 to \$1,500. He claims to have entered Canada at the Vancouver International Airport, then flew to Montreal and was smuggled into the U.S.A. This is part of a package deal for which he allegedly paid \$1,200. Telephone numbers of local smuggling agents in Montreal were found in his possession.	Continuing		Investigation being carried out in Montreal and Vancouver.

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The Gazette **DEC** - 8 1972

IH287-USA-1  
IH223-Q-1  
IH256-Q-1  
IH255-1 ✓

### New crackdown against crime starts in N.Y.

NEW YORK — (Reuter) —  
The second sweeping crack-  
down on organized crime here  
in two months was announced  
yesterday in indictments  
against 25 persons for crimes  
including drug smuggling, at-  
tempted murder and loan  
sharking.

District-Attorney Frank  
Hogan announced the indict-  
ments which resulted from  
year-long investigations in  
Canada, Argentina, Chile,  
Mexico and Japan as well as  
the United States.

Vicent Rizzo, a New York  
salesman, 41, was charged in  
nine of the 19 indictments  
with attempted murder,  
smuggling cocaine, three  
counts of extortion, and sale  
of counterfeit U.S. currency.

Rizzo was one of four  
people charged in connection  
with the attempted murder of  
a messenger carrying re-  
ceipts for airline tickets last  
March. The men beat the  
messenger and left him for  
dead after stealing the re-  
ceipts which later figured in  
the sale of stolen and forged  
airline tickets, Hogan told a  
news conference.

PA

7/02.

13-12-72

COPIES FOR: IH700-5-19  
IH265-1  
IH255-1 ✓

GLOBE AND MAIL

6 DEC 1972

—THE GLOBE AND MAIL, WEDNESDAY, DEC. 6, 1972 B15

## Quebec steps up crime fight

By HARVEY SHEPHERD  
Globe and Mail Reporter

MONTREAL — Quebec Justice Minister Jerome Choquette has announced creation of a bankruptcies and frauds service in his department to combat economic crime in all its forms and help co-ordinate the activities of police forces in this sphere.

It will attempt to render more effective recent provincial legislation.

The new service will deal with possible fraudulent acts resulting in bankruptcies; it will confine itself to fraud preceding declaration of bankruptcy to avoid impinging on federal jurisdiction.

It also will concern itself with commercial crimes against provincial laws in the fields of consumer protection and real estate, including activities in such areas as pyramid sales, land sales, securities and personal-development courses.

Financial crimes in areas including stock market specu-

lation in Canada and abroad are covered as is fraud against the Government with respect to, for example, gasoline and sales taxes, sickness insurance, welfare and farming legislation.

Mr. Choquette said the role of the new service will be a co-ordinating one; it will work in conjunction with registrars of bankruptcies and with Crown prosecutors, police forces, other departments of the Quebec Government—including revenue, agriculture, industry and commerce, financial affairs, and social af-

fairs—and the Quebec police commission.

The service will provide information during the current provincial inquiry into organized crime.

Mr. Choquette estimates 10 per cent of Quebec bankruptcies are linked in some way to organized crime.

The service will have a staff of between 35 and 40 including four lawyers and four accountants as well as several investigators to co-ordinate the activities of police fraud squads. It will have a budget of about \$500,000 in its first year, including salaries.

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Power and Immigration Main-d'œuvre et Immigration  
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IH288-3

COPY FOR: IH255-1 ✓

IH700-5-19

Ottawa Journal

# CRIME PROBE OR WITCH HUNT?

Quebec's justice minister,  
Jérôme Choquette, wants to rid  
the province of organized  
crime. But does the end  
justify the means?

By Bill Trent  
Ottawa Journal



Choquette brushes aside the comments of complaining political men and labor leaders who worry that the investigation may go beyond the issue of crime. The government mandate is clear. It's the underworld that is the target.

He takes less lightly Mayor Drapeau's prophecy that the investigations will cost a fortune, ruin a lot of reputations and turn up nothing in the way of indictable evidence. The city of Montreal, the mayor avows, has been closed to gangsters since he took office in 1960.

Choquette doesn't buy that. Organized crime, he claims, has definitely gained a foothold in Quebec, flourishing for the most part in the Montreal region. What really annoys him is the fact that Mayor Drapeau's claim that Montreal is a clean city completely contradicts the city's own submission to a government inquiry into the liquor trade in 1970. At that time the city estimated that 30 percent of its bars and night clubs were in the hands of the underworld.

"These members of the underworld are still in our midst," says Choquette. "They have not disappeared as the mayor would like us to believe."

It was Montreal's submission to the liquor inquiry that spurred Choquette into calling for an investigation. Today he feels he has a "moral obligation" to curb organized crime before it makes any further inroads.

"Let's not deny the existence of an underworld," he says. "There are too many unsolved murders in Montreal. Drug traffic is increasing and is an important financial business. Illegal gambling and prostitution aren't carried on as openly as in the old days but they still mean substantial profits for some people. We know the protection racket is practised. We know businessmen have been intimidated. We know there have been a lot of suspicious fires in Montreal and area buildings."

QUEBEC JUSTICE Minister Jérôme Choquette's determination to unmask the underworld and run organized crime out of his province has made him the target of much abusive criticism over the past several months, a lot of it focussing on legislation giving the Quebec Police Commission the power to issue its own warrants to search premises and seize documents.

He has been accused of being a fascist, and of trying to turn Quebec into a police state, and no less a personage than Montreal's Mayor Jean Drapeau has accused him outright of organizing a witch hunt similar to US Senator Joseph R. McCarthy's communist investigations of the 1950s.

"Ridiculous," says Choquette. "Nobody can seriously believe we want to infringe on the civil rights of our citizens. We have been talking about an investigation into organized crime for a long time and finally we have it. We think a crime probe is necessary — and it is necessary now."

"If you conducted a poll today," says Choquette, "and asked people to name the problem most important to them, they wouldn't say unemployment or inflation. They would say their own personal security. People want to enjoy life. They don't want to live with the constant threat of violence."

Choquette, holder of what many consider the key portfolio in Premier Robert Bourassa's Liberal government, has been criticized from outside the province as well but he shrugs off the comments.

"I once had the pleasure of being identified by the Toronto Globe & Mail as 'a rat gnawing at the cheese of civil rights'," he says. "On another occasion an editorial writer for the Toronto Star called me 'a strutting Nazi'. People can be so naive. They just don't realize the dangers."

Quebec's crime probe, which is expected to last a minimum of two years (and likely much longer), will be carried on in much the same way as that of the New York State Temporary Crime Investigation Commission. "In the US," says Choquette, "crime commissions have existed for many years and their success has been proven in many instances."

The US commissions have been able to deal effectively with the problem of preserving the reputations of honest people, he says, and the same will be the case here because the Quebec Police Commission, the investigating body, enjoys wide respect in the province.

Crime probe or political inquisition? The question is asked widely on the Opposition side of Quebec's legislative National Assembly, on university campuses and in certain union circles. Some people think there should be a committee of citizens named to watch over the methods of inquiry.

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Ottawa Journal NOV 18 1972



Choquette is careful not to give away information that could be useful at prosecution time but he admits that evidence gathered to date points to a well-structured underworld.

"We know there is a leader, perhaps several," he says. "There are lieutenants and sub-lieutenants forming a kind of hierarchy. We know they have made contact with people in the United States."

Choquette is careful not to refer to the underworld as the Mafia. "I don't use the word because it refers particularly to Sicilians and in Montreal there is no ethnic group which holds a monopoly in crime," he points out.

The minister's Italian friends applaud his reluctance to use the term Mafia. "I think they appreciate people who don't blame the Italians for everything," he says.

The crime probe is, in Choquette's words, his own "baby". It was he who conceived the Special Investigative Unit on Organized Crime, a grouping of 50 law officers from the Quebec Police Force, the Montreal Urban Community Police and the Royal Canadian Mounted Police. The officers report to three justice department appointees, Crown prosecutors Charles Cliche and Louis Carrier and former legal aid counsellor Robert Cooper. Cliche and Carrier are also on the unit's administrative committee along with Hervé Patenaude of the provincial force, and Georges Faille, an assistant chief inspector of the Montreal department.

The unit's task is to prepare evidence for presentation to the Quebec Police Commission, the body which will hear cases much in the way that a regular court of law does.

Will it be possible to protect the reputations of honest, law-abiding citizens who may find themselves caught up in what must be inherently sensational evidence? Choquette says yes. To begin with, the commission is made up of judges well-trained in hearing evidence and they will not tolerate abuses in methods of inquiry. Further, many hearings will be held in-camera to guarantee the anonymity of certain witnesses.

As for the special powers legislated, he says they are not unreasonable in view of the many difficulties the investigators will probably have to face. First, he explains, no right of arrest is granted. Second, the right to search for documents may only be granted to a police officer by permission of the commission or one of its judges. Thirdly, an investigator may seize doc-

uments if he has reason to believe they are likely to disappear — but only under urgent circumstances and where a warrant can't be obtained in proper time.

He believes that by giving the commission the right to issue warrants, there is less possibility of abuse than if the warrants were granted by judges unfamiliar with the inquiry. The right to search and seize by warrants, he says, is not new. It exists in the Food and Drug Act, the Narcotics Act and the Customs and Excise Act.

Jérôme Choquette, who started practising law in Montreal when he was 20, became known around the world for his part in the terrorist crisis in Quebec in 1970. It was he who planned much of the strategy for routing the terrorists and who finally guided the negotiations for the release of kidnapped British diplomat James R. Cross. His militant stand once won him first position on a terrorist list of prominent people to be killed. (As it turned out, one person was murdered. He was Pierre Laporte, then Quebec labor minister.)

Today he's an affable, athletically energetic, decisive man of 44 who, in the opinion of many policemen, is the strong, unwavering, baritone voice of law and order in Quebec.

The label may be misleading, however, since he is also a lifelong libertarian who has concerned himself with such problems as prison reform, abuses of habeas corpus, and legal aid for the poor.

Actually, Choquette says there is no conflict. He is a confirmed believer in human rights who also realizes the dangers that face society.

"They can call me a fascist if they want to," he says. "But talk to the Americans. They'll tell you they can't

walk the streets of their cities safely any more. I don't want this to happen here — and it doesn't have to. There is still time for us. We can prevent the development of an American-style criminal society here."

Choquette tells the story of an acquaintance from New York who always vacations in Montreal because he considers that city safer than his own. He quotes the New Yorker as saying there is less crime in Canada than in the United States because Canadians are more law-abiding and criminal elements are kept in better check.

"This is a situation we must preserve and consolidate," he says. "We must not allow crime to develop in the large cities of Canada as it has in the United States. The time has come to launch an aggressive policy against criminal elements."

Choquette says there has been a rapid rise in crimes of violence in recent years with a growing tendency on the part of some people to misplace sympathy.

"There are those who say that today the criminal has all the rights and the victim has none," he points out. "Well, this is a very real problem and there is a certain amount of truth to it. When someone is in court for assault, or perhaps even murder, we tend to talk of him as 'that poor fellow'. We see him standing there in the dock being questioned and our sympathy goes out to him. There may well be some reason for sympathy. I won't deny that. But we must not forget the victim — and the victim's family."

Choquette is very concerned about the mounting violence. He says crime in the streets is not unrelated to the existence of organized crime and its acceptance as part of the North American way of life.

"I don't believe organized crime in Quebec has reached the level of importance that it has in the United States, or that it has infiltrated to a marked degree the political, judicial or law enforcement processes," he says. "But conditions must be such that the underworld is unable to function."

The Americans allowed their crime problem to get out of hand, he maintains. "And this," he adds, "is my reason for wanting an investigation of the underworld now, not tomorrow or the next day, or next year. The thing is that if we don't act now, it's going to be too late. People can still walk at night in Montreal — and I want it to stay like that." ◀

# by police official

By DONALD GRANT

A police intelligence official has leaked information from secret police files to him, Dr. Morton Shulman said last night.

The NDP member of the Legislature for High Park refused to name the official.

The RCMP, Ontario Provincial Police and Metro police are conducting an investigation into the claims of 25 police chiefs from Ontario's largest forces that secret files on organized crime have been leaked through the Ontario Police Commission.

This investigation has resulted in one OPC investigator being refused access to the secret files. Also, a former employee is being questioned about information he was alleged to possess—some details of which were given to a politician.

When asked last night if there were leaks and how he got them, Dr. Shulman said "I got them from an official who felt that a miscarriage of justice took place.

"I won't name the official. He is someone who would not only be expected not to reveal such things ordinarily, but who would not reveal them ordinarily.

"He felt there had been inadequate investigation . . . horribly unjust.

"It had to do with an off-track betting system. Two companies were investigated to see if they had any connection with organized crime.

They (the police) walked into the headquarters of these companies and simply asked: 'Do you have any connection with organized crime?'

Percy Milligan, former chairman of the Ontario Police Commission, said last night that the possibility of a leak within the provincial commission was suspected after a statement by Dr. Shulman in July.

The investigation into the leaks started "just as I left."

Elmer Bell, and Exeter lawyer and former president of the Ontario Progressive Conservative Party, became OPC chairman this month when Mr. Milligan became the Cornwall Crown attorney.

Dr. Shulman's statement, according to Mr. Milligan, was made "while I was on my holidays."

Mr. Milligan said that the

police chiefs, who belong to the Criminal Intelligence Service of Ontario, became worried that some unauthorized person had obtained information from OPC files.

Mr. Milligan said that an "unauthorized person" would be "anybody that doesn't belong to CISO."

Early in September the chiefs, representing such cities as Toronto, Hamilton, Ottawa, Peterborough, London, Windsor, Kitchener and Guelph, met at the OPC headquarters because they felt that crime reports were being read by men outside the commission.

A police chief said a committee "to investigate and report on the leaks" was set up under Metro Police Chief Harold Adamson.

"It's a hell of a mess," said the police chief, who wished to remain unidentified. "If you've got a leak, then find out and get rid of him. But so far no one has proved to me there is a leak."

Chief Adamson admitted that an investigation is going on, but said that while "we're in the middle of things, it's prudent not to say anything."

The investigation has been under way for six weeks. It is directed by Chief Inspector William Armstrong of the OPP criminal investigation branch, Inspector Donald H. Heaton of the RCMP and Inspector Jack Webster, head of the Metro police homicide squad.

An investigator said the OPC investigator who has been refused access to the files is still working daily at the OPC. Mr. Milligan said the employee has "not been suspended and I won't say anything more."

The former employee, who has been questioned by the officers, said last night that "all I know is, I took nothing from the Ontario Police Commission."

"Anything I tried to peddle, I collected before and after my time at the police commission. I did get an awful lot of confidential stuff from police departments in Canada and the United States and other places.

"Information was leaked to me, but not from the Ontario Police Commission. Regarding that information, I feel free to do with as I like."

Earlier this year Dr. Shulman quoted from what he said was a secret OPP file in remarks to the Legislature.

The report was done by the OPP intelligence squad, checking on people applying for a contract dealing with racetrack betting machines. It went from the OPP offices to the OPC intelligence office.

Dr. Shulman said last night that information had been leaked before.

"It happened during the Duke inquiry and in one case coming up."

The NDP member said the leaks had been made "only to me . . . he (the person supplying the information) knows I'll bring it up in the Legislature."

"There have been only three leaks. One was with regard to a senior OPP police officer who had social relations with a character connected with organized crime."

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THE GLOBE AND MAIL, FRIDAY, OCT. 27, 1972 15

## Shulman says data were leaked to him by police official

# 25 Ontario police chiefs claim secret reports 'leaked'

By GWYN (Jocko) THOMAS  
Star staff writer

Twenty-five police chiefs in the province claim top-secret information on organized crime has "leaked" through the Ontario Police Commission, and an investigation indicates they're right.

No one will say officially who got the information.

But some details were given to at least one politician, and investigators from three levels of police think more went to other outsiders.

The chiefs belong to the Criminal Intelligence Service of Ontario (CISO). They voted no confidence in their own service a month ago because they felt their

confidential reports were being read by men outside the provincial commission.

The three members of the commission have ordered an independent security check on their own offices and those of their five investigators.

The commission is ap-

pointed by the provincial government. It has power over every police commission in Ontario and is responsible directly to the solicitor-general.

Judge Thomas J. Graham, its vice-chairman, de-

See LEAKS, page 12

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## Leaks investigated from intelligence files

Continued from page 1

nied a report that one of his five intelligence men has been suspended.

It was learned, however, that the man has been denied access to "privileged files" until investigations are complete.

They are being directed by Chief Inspector William Armstrong of the Ontario Provincial Police criminal investigation branch; Inspector Donald Heaton of the Royal Canadian Mounted Police in Toronto, and Inspector Jack Webster, head of Metro's homicide squad.

Elmer Bell, an Exeter lawyer and former president of the Ontario Progressive Conservative Party, became chairman of the commission this month when Percy Milligan was named crown attorney in Cornwall.

### BELL UNAVAILABLE

Bell could not be reached for comment yesterday. Neither could Maj. Gen. Herbert Sparling, the third member of the commission.

The investigation started following a meeting of police chiefs whose forces have intelligence officials. Some have two and three men working on such investigations. Metro's intelligence squad numbers about 50.

One of their jobs is to plot methods being taken by organized crime to infiltrate their areas.

They have to make sure the underworld doesn't know what the police knows about them. And much of the information is based on

observation, suspicion and conclusions that can't be proved but which put persons on the suspect list.

Concern has been felt for some time that secret files or copies of them have been seen by unauthorized people.

This was borne out by remarks made in the Legislature earlier in the year by Morton Shulman (NDP — High Park) who quoted from what he said was a secret OPP file.

### PROBE BEGUN

An immediate investigation was started to learn how he got the OPP report which dealt with an investigation made by the OPP intelligence squad into persons applying for a contract dealing with race track betting machines.

The file had gone from the OPP offices to the intelligence office of the Ontario Police Commission which is a repository of all intelligence reports from the police forces which belong to the Intelligence Service. Reports from the Ontario Securities Commission intelligence section are also filed with the OPC intelligence bureau.

While Metro Police Chief Harold Adamson refused any comment about the investigation, it is known he has expressed concern about leaks for several months.

Intelligence squad officers in Toronto are working to break what is considered an extortion attempt to force a merger in the lathing business. One firm has had several bombings it blames on extortionists.

Montreal - GAZETTE - 11 October 1972

IH255-1

## Casa Loma killings:

# Three to get new trials

By LEON LEVINSON  
of The Gazette

A new trial was ordered yesterday for three men convicted last November of murdering one of three persons killed in a nightclub.

The five-judge Court of Appeal Bench based its findings largely on the fact that a star witness at the trial — a go-go dancer-waitress at the Casa Loma nightclub — later contradicted her evidence at the trial of another accused in the same case.

Julio Ciamarro, 28, Joseph Tozzi, 45, and Joseph Di Maulo, 28, were the successful appellants yesterday. They were convicted and sentenced to life imprisonment for the death of Jean-Claude Rioux, an ex-convict.

### REJECTED BID

Justices Andre Taschereau, George Montgomery, Roger Brossard, Francois Lajoie, and Marcel Crete, while granting the new trial, rejected the prisoners' bid for an acquittal.

Rioux died in the March 12, 1971 triple slaying at the St. Catherine St. East club after closing hours. His death was caused by the severance of two main arteries by a sharp object. The other victims were shot.

The trial, which lasted 11 weeks, consisted of purely circumstantial evidence. None of the three accused testified, nor did they introduce any defence evidence.

In his 20-page notes to yesterday's judgment, Justice

Lajoie recalled in detail the flagrant contradictions between the evidence given by go-go dancer Paulette Gingras at the trial of the three men and at that of Jean-Marc Morin, charged last January with killing one of the other victims.

Counsel for the appellants had obtained permission to include the transcript of her evidence at the Morin trial in the appeal record on behalf of the three other accused.

Justice Lajoie said that it seemed obvious that the jury at the trial of the appellants had believed the evidence Miss Gingras placed before it.

"... it appears to me that the case, resting in great part on the credibility of Paulette Gingras, possibly, but not necessarily, the jurymen could have arrived at a different verdict if they had known the version she gave at Morin's trial," he said.

This factor sufficed, in his view, to warrant a new trial, even though the young woman's later testimony still tended to incriminate the appellants insofar as it did

not differ as to the circumstantial evidence on an important detail.

A new jury, he said, could hear her testimony again and her explanations concerning her prior version.

He observed that she had explained at the Morin trial that the falsity of her prior versions was a consequence of the fact that she was intimidated by threats of violence from an unknown person. She had now decided to tell the truth.

### SUMMING UP

Justice Lajoie further agreed with the submission of the appellants that their case may have been prejudiced by the refusal of the trial judge to sum up the evidence, as required by jurisprudence.

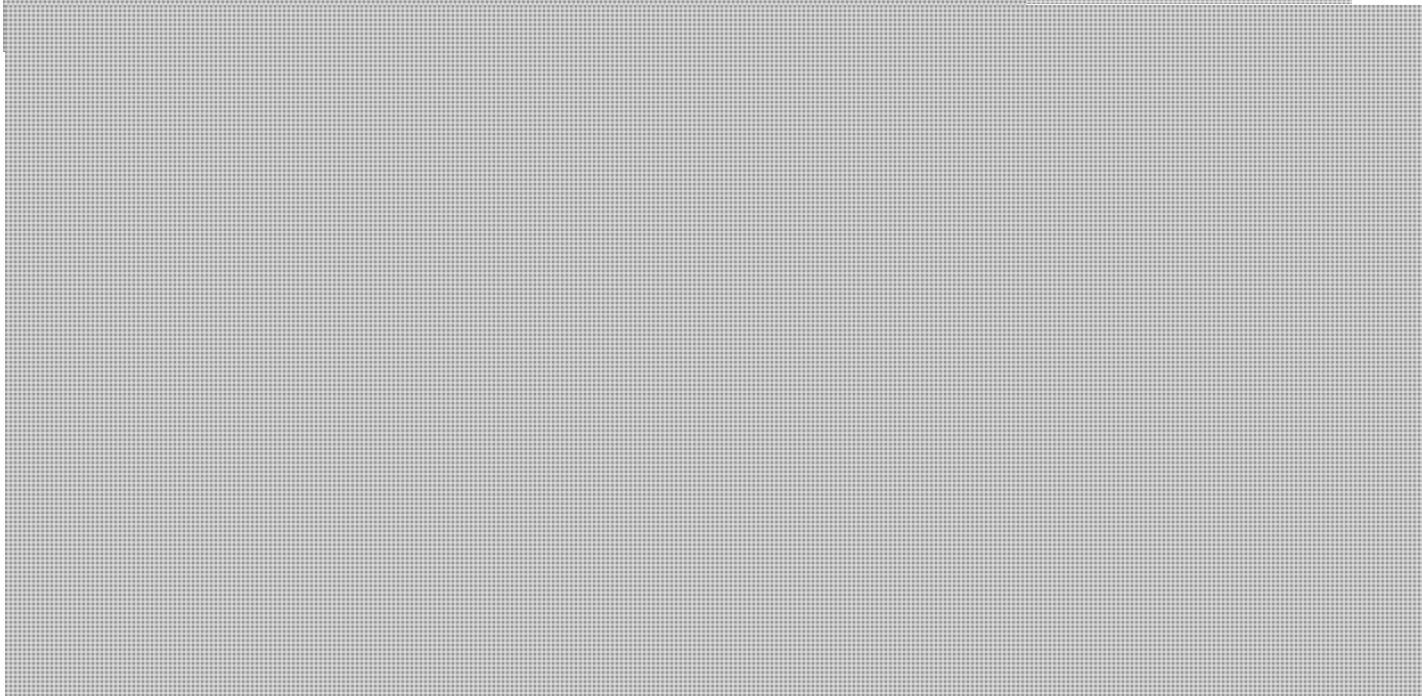
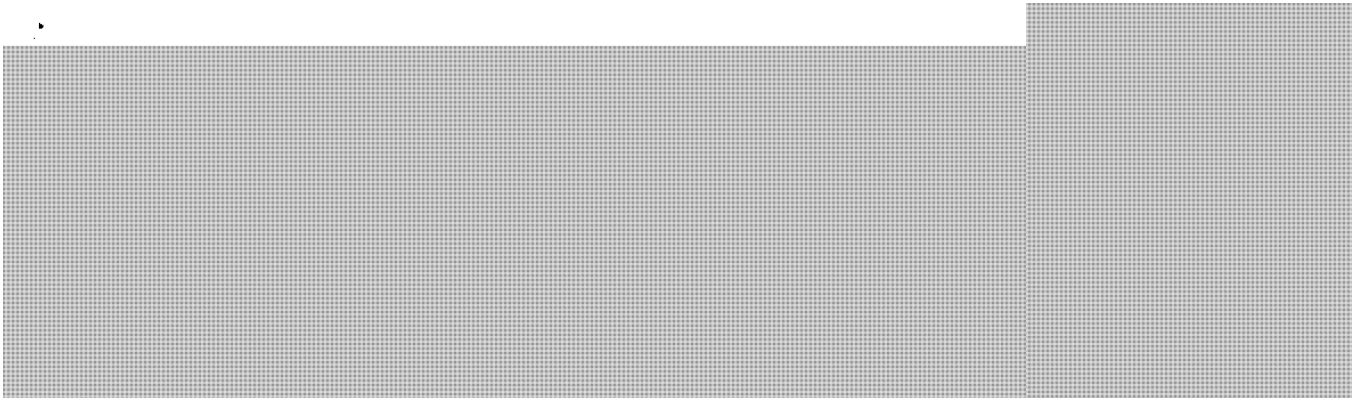
This was particularly important after such a long trial, he said, during which the evidence contained many contradictions.

"Perhaps this omission may not have caused the accused prejudice, but it is possible that it had this effect," he concluded.

In rejecting the claim that the three men were entitled to an acquittal, Justice Lajoie found that the verdict on the basis of the Crown evidence heard by the jury was not an unreasonable one.

Raymond Daoust, QC, Leo-Rene Maranda, and Sidney Leithman, appeared for the appellants.

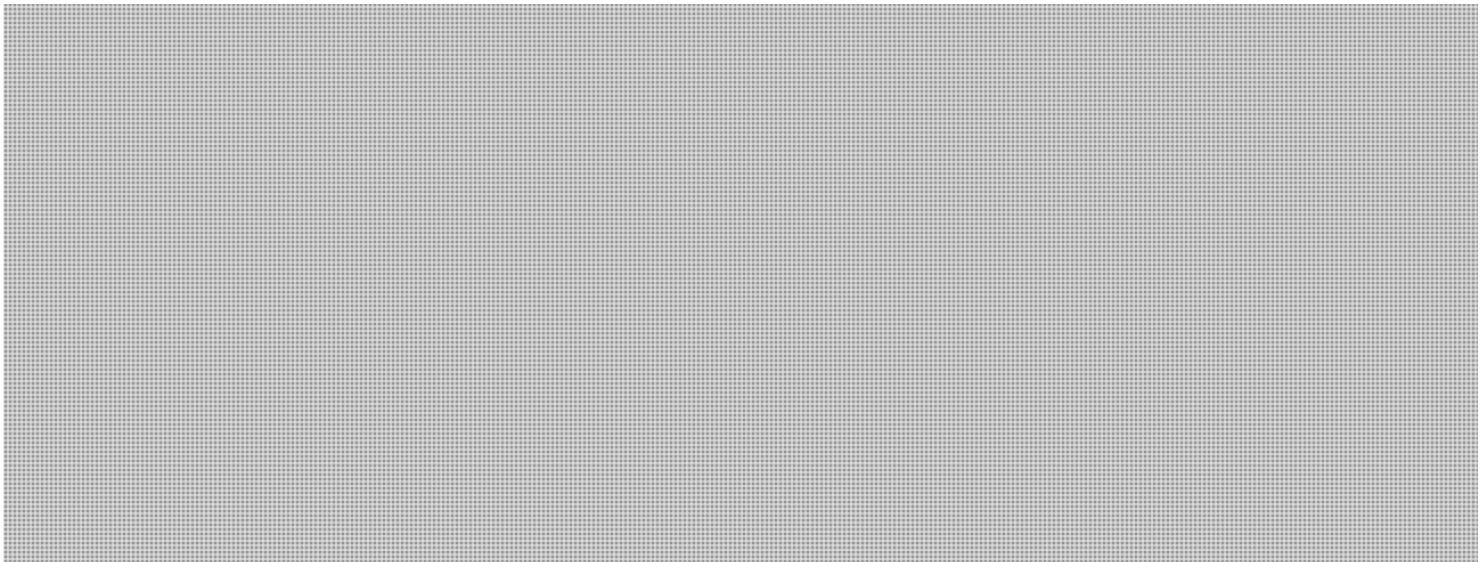
P.A.  
J.B.

SUMMARY OF REPORT TO CIC from P. SEGUIN, Montreal Unit dated 12 April 1972

We would appreciate knowing the progress of this enquiry.

-----

Summary of letter to Lt/Det. Rolland VALLEE, Mtl. City Police 31-7-72  
from P. Seguin Mtl. Intelligence Unit.



7/02.

Officer in Charge, Intelligence Unit,  
Montreal.

IH255-1 Vol.4

September 19, 1972.

*P* Chief Intelligence Officer,  
Home Services Branch, Ottawa.

Criminal Organizations - General

1. 

2. 

3. Could this matter be clarified, please?

*ZB.*

s.19(1)

DEPARTMENT OF MANPOWER AND IMMIGRATION  
MINISTÈRE DE LA MAIN-D'OEUVRE ET DE L'IMMIGRATION

MEMORA JM - MÉMOIRE

14 235-1.

TO - À: J.M.

FROM - DE: W.S.

Please refer this file  
to H.B. after you  
have finished processing  
Montreal report 28-8-72.

He can read MTL  
upto 12 April 1972 and  
31 July 1972 and  
summarize their contents  
briefly

H.B.  
6/9/72

## INTER-OFFICE MEMOGRAM

## MESSAGE INTERBUREAUX

TO / À Manager Enforcement Internal Section	FROM / DE for Manager Intelligence Section	FILE NO. - ORIGINATOR RÉF. - EXPÉDITEUR S.F.C. - 19
SUBJECT SUJET		FILE NO. - ADDRESSEE RÉF. - DESTINATAIRE

MESSAGE

Attention St. Leger.

This is in response to your request to have checks made with Police agencies with a view toward cancelling the lookouts on individuals listed in the R.C.M. Police report. The attached Montreal report appears to supply the information you require.

DATE: 6-9-72

SIGNATURE: J. Leger

REPLY / RÉPONSE

P.C. 1H 255-1

s.19(1)

DATE:

SIGNATURE:

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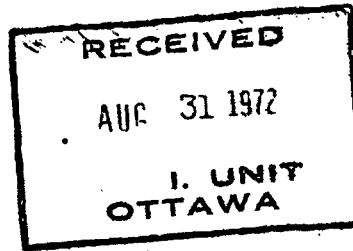
# MEMORANDUM

CLASSIFICATION  
CONFIDENTIAL



TO  
A

Manager  
Intelligence section  
Ottawa



YOUR FILE No. SF - C - 19  
Votre dossier

OUR FILE No. IH255-E-1  
Notre dossier

DATE August 28, 1972

FROM  
De

Officer in Charge  
Intelligence Unit  
Montreal

FOLD

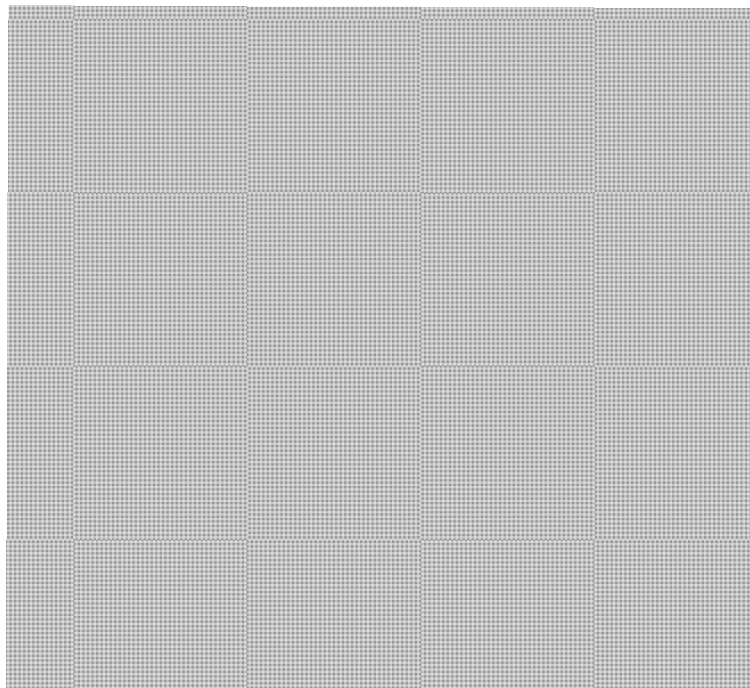
SUBJECT  
Sujet

Criminal Organizations - General

1. Further to your inter-office memogram, dated July 3rd 1972, be advised that the only records on files were held by the RCMP, NCIU. At the local police forces, records were checked with negative results. Furthermore, no look-out exist on these individuals at the Montreal district level. No one mentioned on the said list has been known to visit Montreal since 1955. Listed hereunder are details which were gathered.

Michael J. CONSOLO -

Deceased on April 4th 1968.

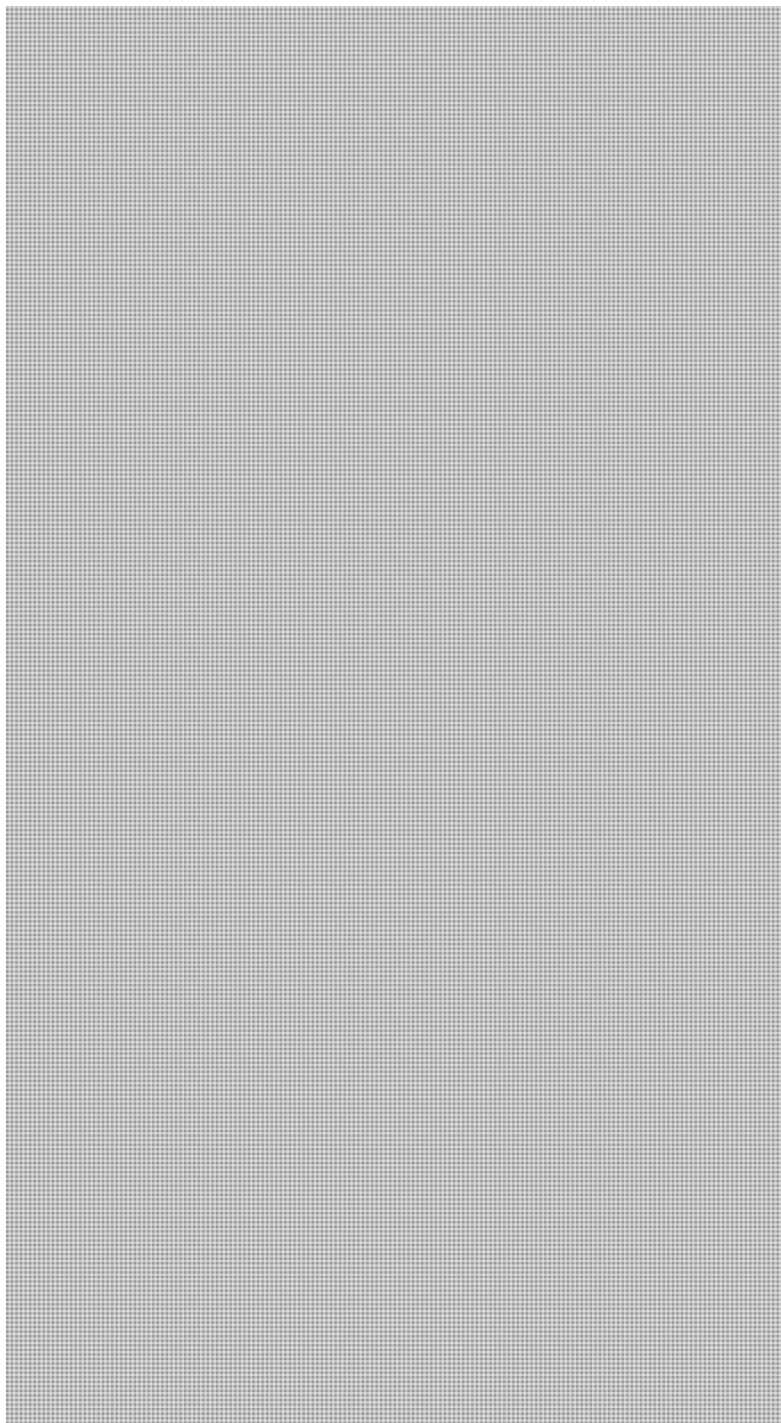


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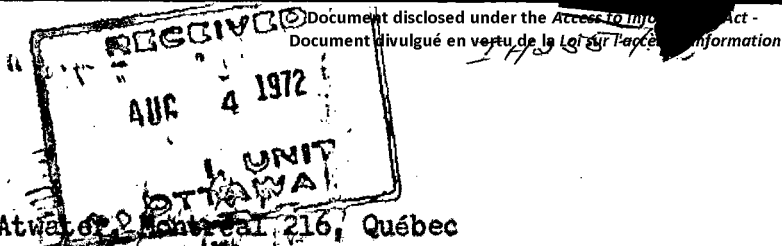
CONFIDENTIAL

- 3 -

2. If additional information is required on these individuals, possibly it can be obtained from either the F.B.I. or the L.E.I.U.

  
1/c

  
P. Séguin  
Field Intelligence Officer



Plaza Alexis Nihon, 1500 avenue Atwater, Montréal 216, Québec

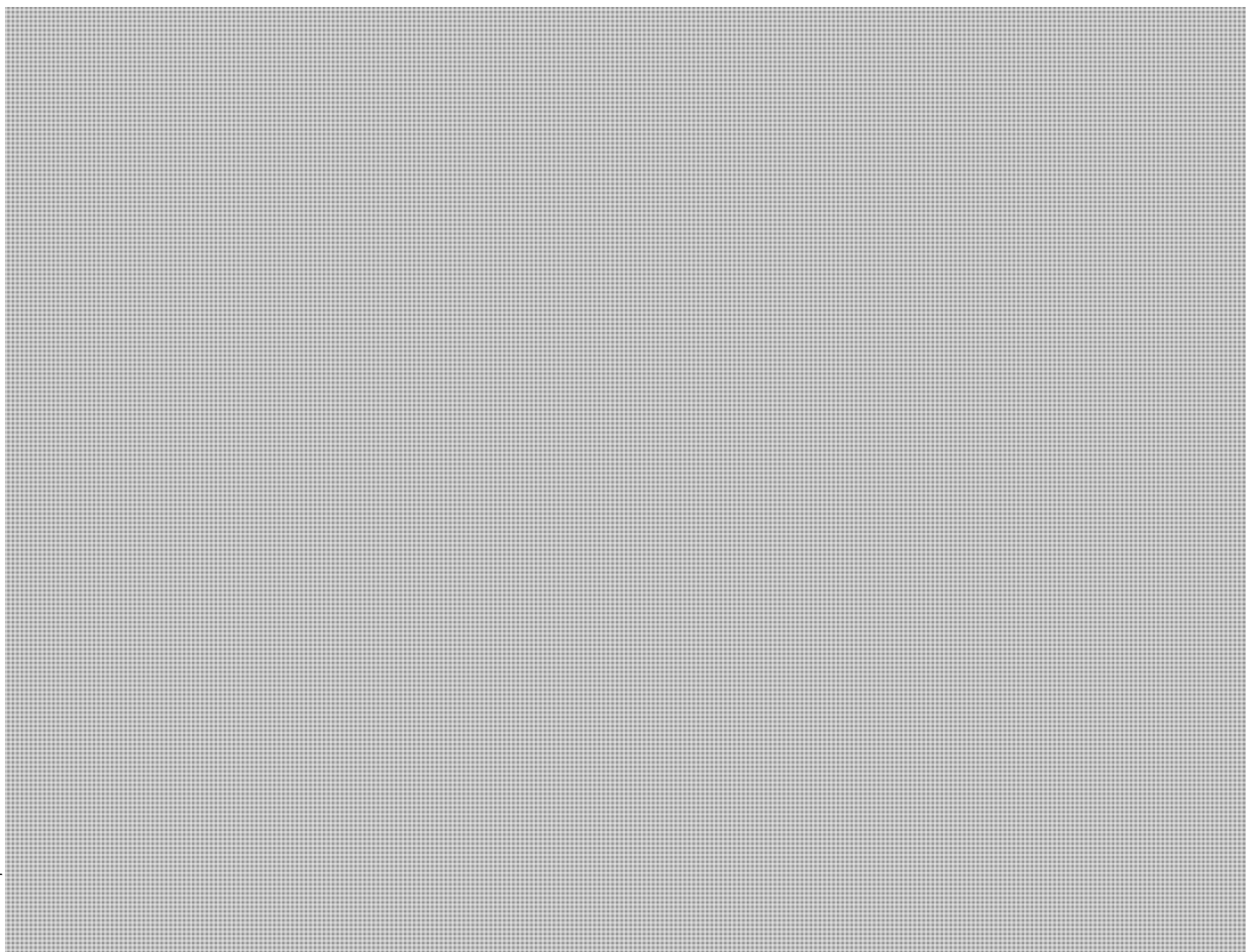
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Lt/Dét. Rolland Vallée  
Police de Montréal

Le 31 juillet 1972

RE: Organisations criminelles  
général

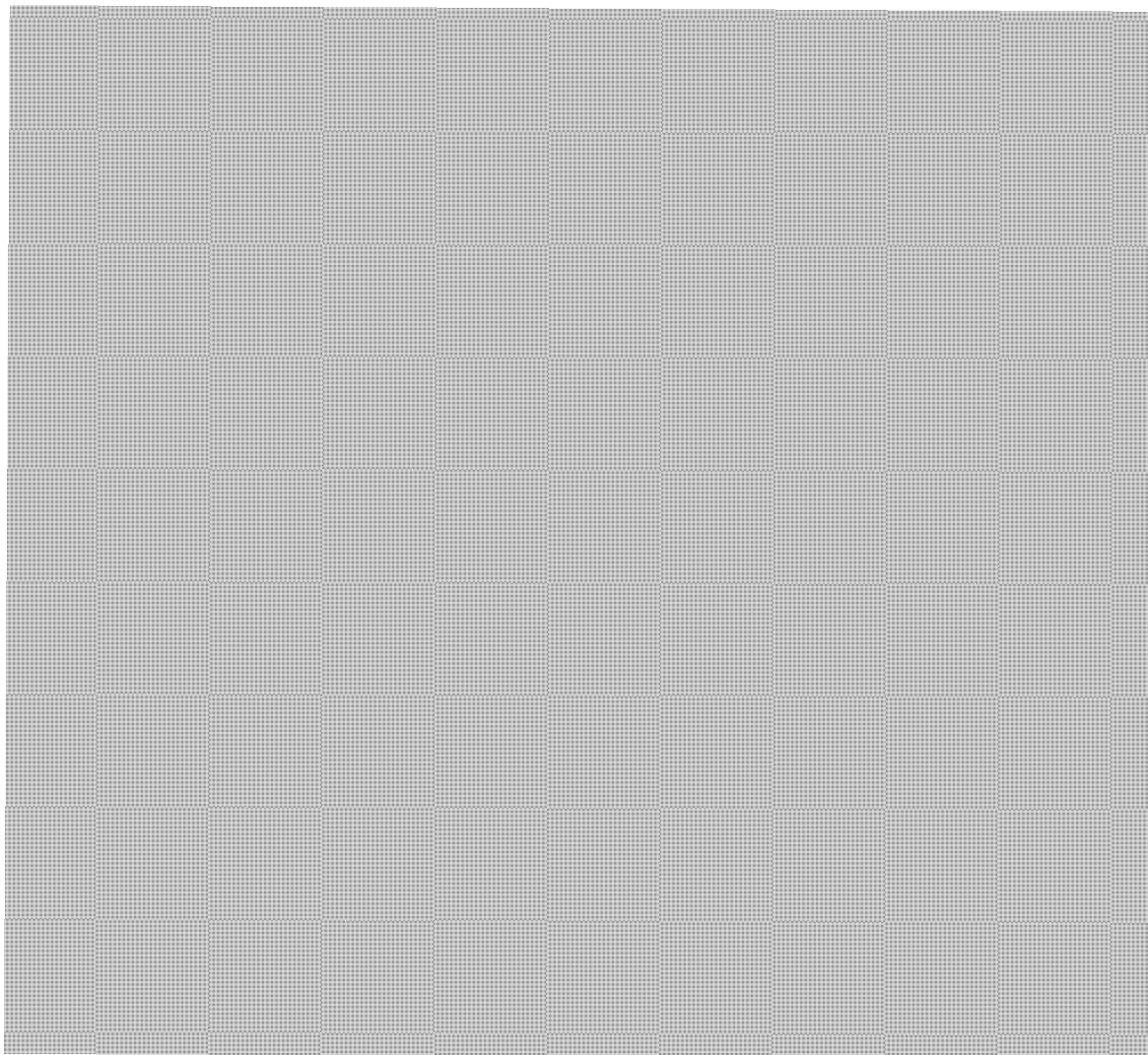
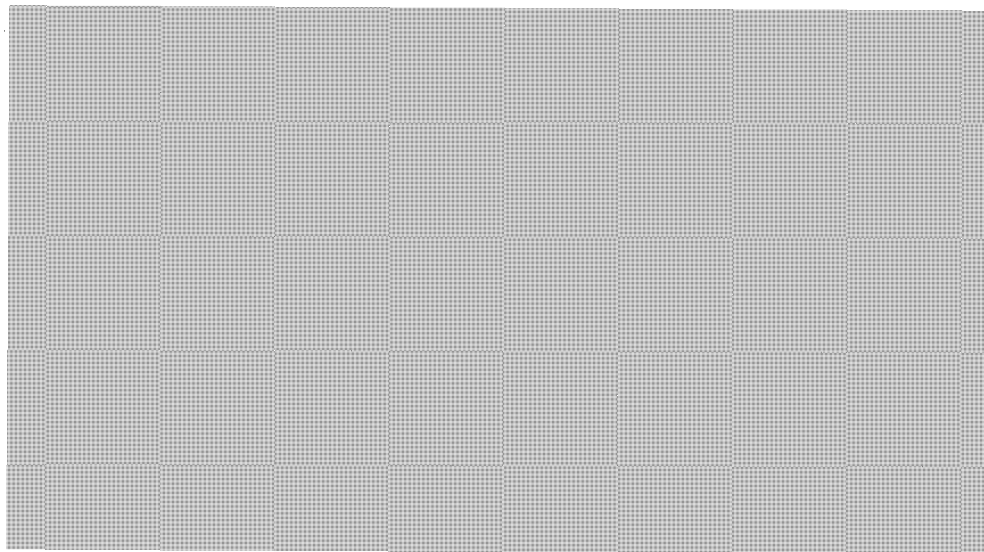
Monsieur,



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Vous remarquerez que [REDACTED] est arrivé ici  
comme visiteur le 19 septembre 1966 et que son cas est encore à  
l'étude.

WK  
i/c

P. Séguin

Officier de l'Intelligence sur place  
Centre d'Immigration du Canada

c.c. ✓ Directeur, section de l'Intelligence, Ottawa

s.19(1)

IH288-2  
IH255-1

The Globe and Mail JUL 27 1972

# No Mafia in Metro, Lawrence says

There is no monopolistic, criminal group operating on Mafia lines in Metropolitan Toronto, Allan Lawrence, the Provincial Secretary for Justice, said last night.

Nevertheless, the fear that such forms of organized crime exist "may be the greater danger today."

Mr. Lawrence, under criticism by members of Toronto's large Italian-Canadian community for refusing to either name or bring charges against an extortion ring he concedes is operating in the city, told a meeting of representatives of Italian-Canadian groups that this fear is enhancing a serious communications gap between people in the Italian community and law enforcement agencies.

His speech included a plea to the representative organizations for suggestions on the type of structure and system under which a "method of information exchange which will encourage mutual confidence" might be developed.

The problems could easily have been aggravated by a July 6 story in The Toronto Star which described the operations of what the newspaper called the Siderno Group as an extortion ring in Metro.

"The undue emphasis that was given to such terms as Mafia and Honored Society, the description of the closeness of the group and the publicizing of the concept of 'omerta' (silence) may be having a contrary effect on the people of the Italian community," he told the Federation of Italian-Canadian Associations and Clubs.

A text of Mr. Lawrence's speech was released to the press in advance of delivery.

'Omerta' is the alleged vow that members of the Honored Society and Mafia take, swearing they will die before breaking their silence.

Mr. Lawrence told last night's meeting that so far as he was concerned Mafia, La Cosa Nostra, Honored Society, and even organized crime are unfair and misleading terms which tend to malign the whole Italian-Canadian community. "The terminology that I think is appropriate to this general problem is Internationally Syndicated Crime."

"With all the loose language and confusing terminology, together with the glare of publicity through books and movies related to sinister organizations, there is a danger that

some people may suspect that we already have established, strong, monopolistic, formalized criminal organizations, based on the prototype United States models."

But most of the dangers that exist in other areas of North America are not present here, he said, and there is no such group in Metro.

What could happen, though, is that criminal elements could play on the fears of ordinary citizens who believe such groups do exist.

This leaves the community open to "intimidation without foundation."

"The natural result is that the criminal will exploit this suspicion to his own advantage. He will accompany his threats with the impression that 'The Organization' will back him up in his criminal activities."

"Soon people may be afraid to communicate with the police because they actually fear that there does exist some big organization."

Mr. Lawrence said that to name names in the absence of substantive charges goes against the standards of natural justice as well as the laws of libel and slander. For these reasons he was "not going to give the details of either the projects or individuals who have been charged" as a result of the work of joint projects directed by the Ontario

Police Commission and the province's Criminal Intelligence Services.

Nor would he describe in detail or name the members of the Ministerial Co-ordinating Committee on Criminal Activity which he has established "in the focused thrust against internationally syndicated criminal activity."

He said there is no particular secrecy attached to the makeup of the committee, but "there is little point in publishing the names of all the people involved just for the sake of publicity."

While loose language and inflammatory phrases tend to have centred out Italian Canadians, Mr. Lawrence said, his personal research has shown

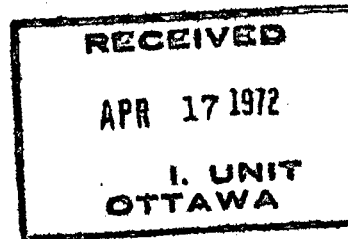
"there is no greater degree of lawlessness or criminal conspiracy within the Italian community than there is in any other racial or religious or geographic group in this city or within this province"

"However, the law enforcement agencies of this city do have very special problems with the Italian community," stemming both from the fear and the fact that "there has been no group or single entity to which Government could go to obtain a responsible, responsive and representative viewpoint of the Italian community in Metro Toronto." He credited his audience with being the organization that could provide the remedy...

PA  
Jacob

SECRET

R.A. Quintal  
Sous-section des enquêtes  
CIC, Montréal



5170-14

IH255-E-1

Chef de Service  
Unité de l'Intelligence  
Montréal

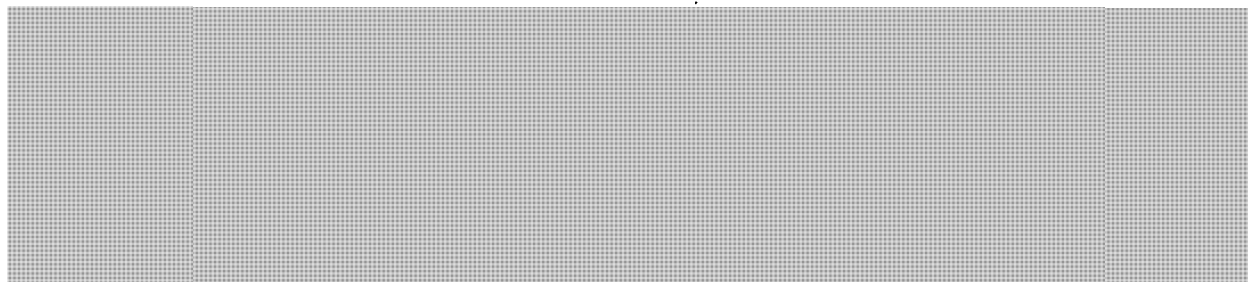
12 avril 1972

Crimes et irrégularités - série générale  
- Membres de la Mafia -

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SECRET

- 2 -



6. Nous apprécierions grandement être tenus au courant des progrès de cette enquête.

*[Signature]*  
MK  
1/c

*[Signature]*  
P. Séguin  
Agent de l'Intelligence sur place

  
P.J.

c.c. Directeur des opérations d'Immigration, Montréal  
c.c. / Directeur, section de l'Intelligence, Ottawa

s.19(1)

000723

'I don't know who . . . don't know why'

## Fear, unanswered questions in wake of factory bombing

By DOUGLAS GLYNN

"Afraid? Sure I'm afraid . . . I don't know who . . . don't know why," Liberato Simone said as he stood in the sparsely furnished office of the Appia Beverages Ltd. plant at 1100 Queen St. W.

Half a dozen workmen stood nearby as he talked.

Liberato Simone gestured, indicating the plant, and said: "I've got a lot of blood in here . . . this place, it's worth \$400,000."

On Thursday night while he and his wife were out delivering Easter gifts to their Godchildren a dynamite bomb exploded at the plant. Nobody was hurt, but he and his wife didn't sleep that night.

And he is worried. A number of the men who started out as partners with him in another Italian beverage company nine years ago have had trouble, too. And one of his old employees, Salvatore Triumbari, was murdered in gangland style in January, 1967.

Liberato Simone rubbed his red eyes, shrugged and shook his head every time the ques-

tion of who or why came up.

"Who knows?"

"Sure, once before I've had trouble. When I was a partner in Sia (the Sia Manufacturing Beverage Co.) 14 tires on my trucks and my car tires were slashed.

"I got only \$250 from the insurance company . . . it cost me \$1,900."

Mr. Simone is not the only former Sia partner to have had trouble in recent years.

He started the company in 1963 with five other men: Vincenzo Deleo, Cosimo Racco, Salvatore Aglialloro, Alfredo Albi and Joe Triumbari.

Salvatore Triumbari, gunned down on the veranda of his west end home, was a

worker at Sia. He left to open his own business, Cynar Dry Ltd. Before he was killed, his brother, Joe, left Sia to work at the Cynar operation.

Four months after Salvatore's death, a \$100,000 blaze destroyed the Cynar plant, which had been taken over and operated by four Triumbari brothers.

Joe, who was manager, said at the time that he thought the fire was an accident and had nothing to do with Salvatore's death.

In 1968, Cosimo Racco—another of the former Sia partners—and his wife were the targets of two shotgun blasts from a passing car. They had been staying in the home of

Cosimo's brother Giuseppe Racco, partner in a bakery.

"I think Cosimo's in Italy," Mr. Simone said yesterday.

Vince Deleo had gone into a bakery business, he recalled, and Salvatore Aglialloro is running his own beverage company. Alfredo Albi is continuing to operate Sia.

The bombing Thursday did about \$8,000 damage, \$4,000 to delivery trucks and about the same amount to equipment.

"I was at a friend's . . . just getting ready to have a cold drink, when the phone rang. It was my daughter. I set down the drink and left . . . it took me 17 minutes to get here from St. Clair Avenue."

The police told him it was a dynamite blast.

"They asked me a lot of questions . . . same as you, but I don't know.

"No, the Mrs. Simone killed in the explosion on St. Clair was no relation . . . I didn't know them," he said, referring to the blast and fire that wrecked a supermarket and travel agency two weeks ago and killed Mrs. Stefano Simone.

Since that explosion five warrants charging individuals with non-capital murder have been sworn out by Metro police. Three men are in custody and two are being sought in Italy.

Liberato Simone thought about that blast for a moment, and wondered aloud what might have happened to him if he had been at his plant when the explosion occurred.

He's not guessing about why it was done. He's wondering if it will happen again.

*He runner to  
ice and P.A.  
for the  
H. H. H.  
11-4-72*

s.19(1)

Officer in Charge, Intelligence Unit,  
Montreal.

IH255-E-1

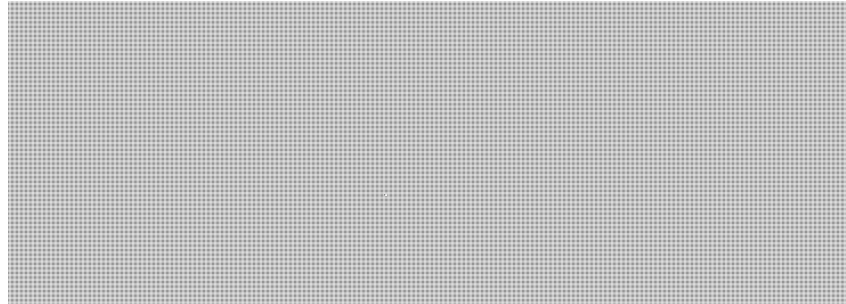
IH255-1

Chief Intelligence Officer,  
Home Services Branch, Ottawa.

March 7, 1972.

Criminal Organizations - General

1. As requested in your memorandum of 25 January, 1972,  
(page 3), copies of Landing Records are attached for the following:



2. As suggested a "700" check was made on [redacted]  
[redacted] apparently a U.S. citizen; none was found.

3. No Landing Records were located for [redacted] SALVO or  
[redacted] The search started at 1952 therefore SALVO, born in 1896,  
could be landed much earlier. [redacted] in Italy, could  
reasonably be expected to have a L.R. but none was found. A "700"  
check for the past three years was also negative. [redacted] also could  
be landed prior to 1952. If dates of arrival in Canada could be  
established for these three men, a further search might prove fruitful.

4. [redacted] was dealt with in our memorandum dated 3 March,  
1972.

Encs.

**Pages 726 to / à 734  
are withheld pursuant to section  
sont retenues en vertu de l'article**

**19(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

IMM-Home

PEGG/sm

s.19(1)

Officer in Charge, Intelligence Unit,  
Montreal.

IH255-E-1

IH255-1 (HQ2-47438)

Chief Intelligence Officer,  
Home Services Branch, Ottawa.

March 3, 1972.

Criminal Organizations - General

1. Your memorandum of 25 January 1972 requested a check of entry records for several persons, one of whom was [REDACTED]. You noted [REDACTED]

[REDACTED]

copies  
on  
HQ2-47438  
380

copy on [REDACTED]

encs.

*zef.*



s.19(1)

# MEMORANDUM

CLASSIFICATION

TO  
A

Manager  
Intelligence Section  
Ottawa, Ontario

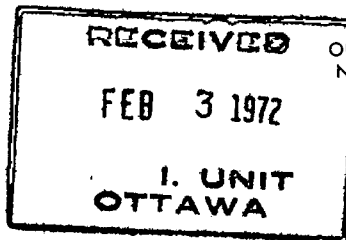
YOUR FILE No.  
Votre dossier

OUR FILE No.  
Notre dossier IH255-E-1

DATE January 25, 1972

FROM  
De

Intelligence Unit  
Montreal, Quebec



FOLD

SUBJECT  
Sujet

Criminal Organizations - General

1. Further to previous memorandum dated January 17, 1972, on file [redacted] be advised that we have obtained a list of the 26 persons who were at a meeting held at [redacted] These persons are listed hereunder:

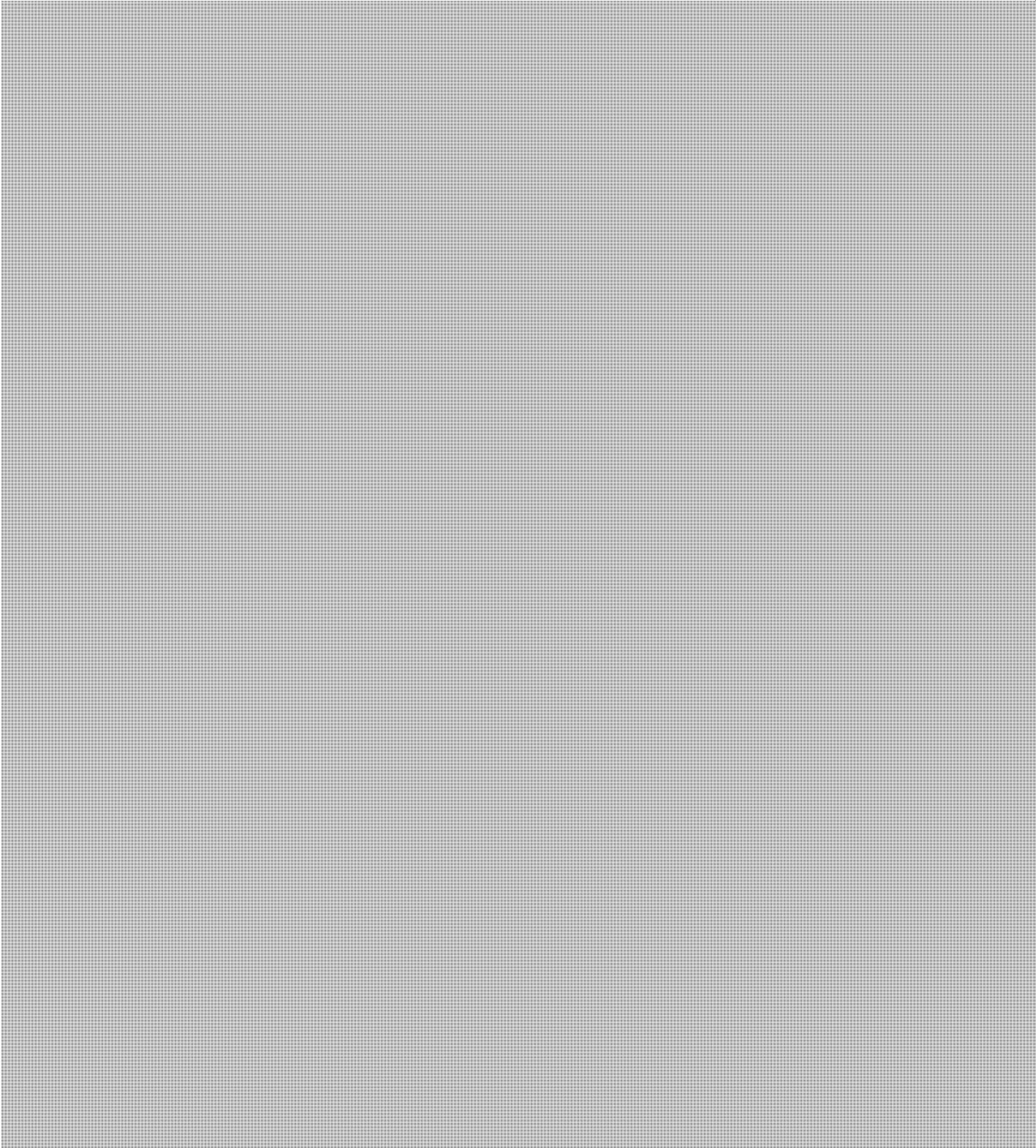


*Copy placed  
on 14600-703 and  
H02-3955 JSP  
7-2-71*

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s.19(1)

- 2 -



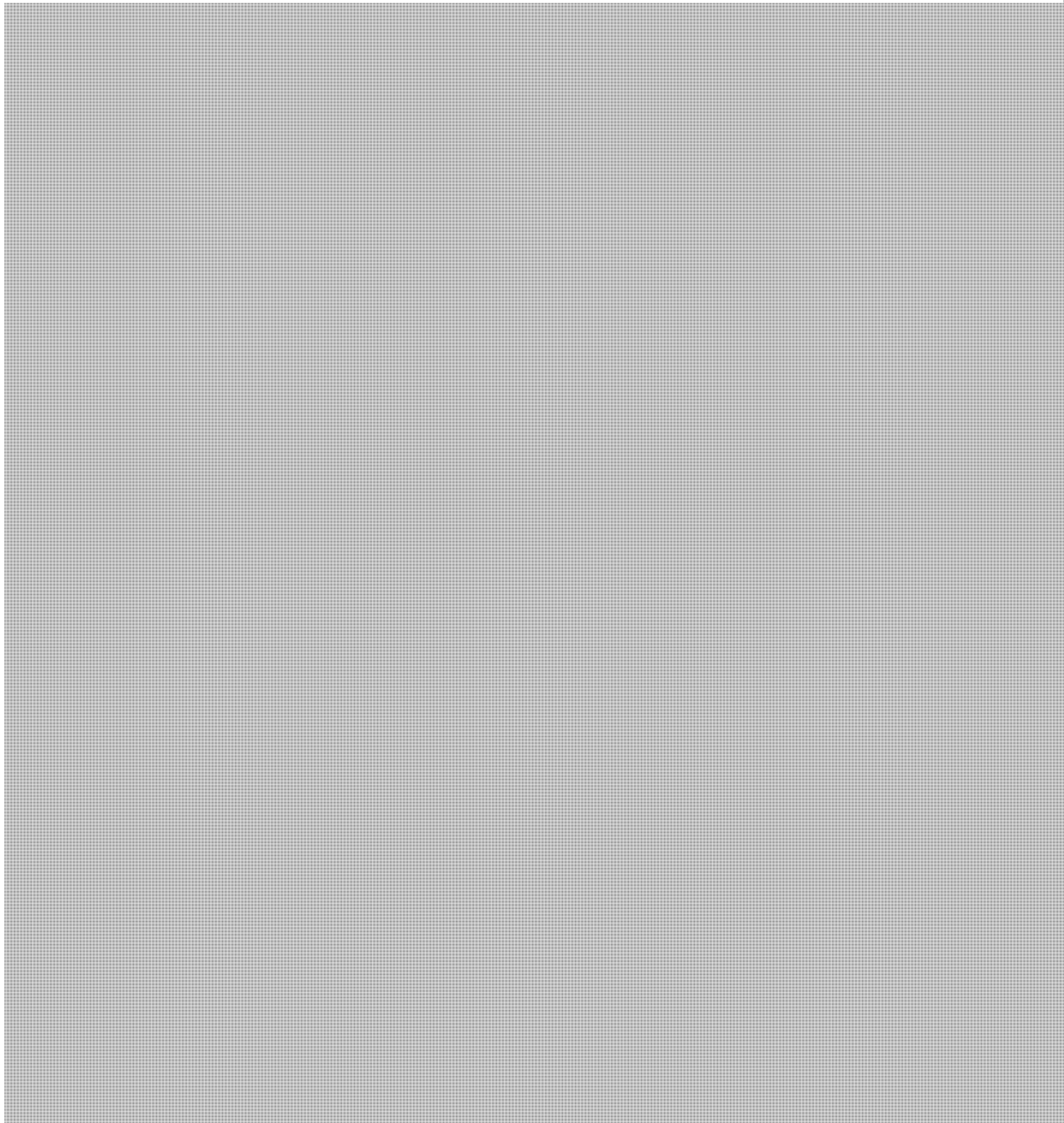
... 3

000737

s.19(1)

Phoned Celine  
14/2/22 re L.R. dates  
frccc#10 JCP.

- 3 -



... 4

s.19(1)

- 4 -


3. When the raid was effected, the investigators noticed that 5 persons amongst the 26 were playing cards. The sum of \$482. was seized. The owner of the residence revealed whilst being interviewed that all the persons present were his friends and it was a house warming party.

... 5

s.19(1)

- 5 -

4. Concerning the \$6,000. in possession of [REDACTED]  
[REDACTED] he informed that this money was to buy properties in  
Montreal. The veracity of his statement to this effect could not be  
verified. Should charges be laid by the Quebec Police Force as a result  
of this raid, you will be advised accordingly.

  
WK  
i/c

  
P. Séguin

c.c. Director of Immigration Operations, Quebec Region  
c.c. District file 3-42183

IH255-1.

DEC 11 1971

MONTREAL STAR

## Organized crime probe on the way

By DON MacPHERSON

The Star's Quebec Bureau

QUEBEC — Justice Minister Jérôme Choquette yesterday presented legislation that would allow him to order the Quebec Police Commission to hold an inquiry into organized crime in the province.

Mr. Choquette announced last month in an interview with THE MONTREAL STAR that such an inquiry will begin some time next year.

The bill he presented to the national assembly yesterday would allow the government to order the commission to investigate "the activities of any organization or system, its ramifications and the persons involved ... when (the government) has reason to believe that in the fight against crime it is in the public interest to order such an inquiry to be held."

Mr. Choquette told the Star last month that the inquiry would be public and recalled that the commission has the power to subpoena witnesses and documents.

The bill also makes a number of other amendments to the Police Act, among them one allowing the commission to award decorations and citations to "persons who make a notable contribution toward the protection of the public."

It would empower the commission to determine the necessary qualifications for various functions on municipal police forces, the duties and ranks in municipal forces and the pay scale for senior municipal police officials.

It would allow municipal police chiefs who are dismissed or whose salaries are reduced to appeal the decision to the commission.

Keep

IMM-Home  
PEGG/sm

s.19(1)

CONFIDENTIAL

Officer in Charge, Intelligence Unit,  
Montreal.

IH255-E-1

IH255-1

Chief Intelligence Officer,  
Home Services Branch, Ottawa.

Nov. 29, 1971.

Criminal Organizations - General

1. Your memorandum of 15 October 1971 concerning Guiseppe  
ZAPPAVIGNA (deceased) [REDACTED]

2. Copies of Landing Records are attached for the following  
persons.

NAME

D.O.B.

LANDED



ZAPPAVIGNA, Guiseppe

8/1/25

20/6/49

s.19(1)

-2-

3. No search was attempted for those names where birthdates or landing dates were not indicated. You may consider it worthwhile to obtain this data on the more prominent members of this group, such as [REDACTED] so that a search would be feasible. Also it would seem likely that the French names mentioned are Canadian-born citizens.

4. You will note a variance in spelling in some cases between that shown on Landing Records and your memorandum, such as [REDACTED] vs [REDACTED] but the dates of birth are the same.

encs.

**Pages 744 to / à 759**  
**are withheld pursuant to section**  
**sont retenues en vertu de l'article**

**19(1)**

**of the Access to Information Act**  
**de la Loi sur l'accès à l'information**

# Quebec investigation on the way

*Hubert Gendron*

QUEBEC — Quebec's Police Commission, within six months to a year, will investigate certain activities and individuals connected with organized crime.

In an interview with The Montreal Star, Justice Minister Jérôme Choquette would give few details on the inquiry but said that the government was particularly concerned with the infiltration of organized crime in legitimate businesses — notably nightclubs — and infiltration of public administrations.

During the interview, he said that the government had identified 247 persons occupying important posts in organized crime.

He also said that the government has "information and facts" that would justify the Police Commission inquiry.

Unlike the Prévost Commission on the Administration of Justice, which dealt with organized crime in general, this inquiry would deal with specific activities of "certain individuals."

"When I speak of an inquiry," he said, "I mean an inquiry that will go into specifics — who is this individual, what does he do, what is the nature of

his activity."

He said that the 247 persons identified by the justice department were "what we consider the brains of organized crime."

"They are people who have a certain importance, either in the organization itself, at the social level, or by their financial means or influence."

Mr. Choquette said the government was concerned by the ramifications of organized crime in many fields of criminal activities — gambling, drug trafficking, loansharking and prostitution.

In addition to the Police Commission inquiry, which "presumably will be public," the government is studying a number of administrative and legislative changes to make life harder for the "syndicate."

Mr. Choquette said that he intends to appoint a deputy minister for police affairs who would co-ordinate information and activities of all the province's police forces.

The government is also seeking amendments to the Canada Criminal Code which would enable courts to hand out stiffer sentences to known members of organized crime.

Mr. Choquette is also asking Federal Justice Minister John Turner to modify his wiretap bill, currently before the House of Commons, to give attorneys-general more latitude in the use of electronic eavesdropping.

The first step probably will be the investigation by the Quebec Police Commission. The commission, headed by Judge Roger Gosselin, has limited most of its activities to supervising the province's police forces but Mr. Choquette feels that its investigative powers will be useful against organized crime.

The investigation would deal with "specific aspects of organized crime because now we feel that we have enough information to investigate a certain number of individuals who are conspiring to promote illegal ends."

Throughout the interview he said that organized crime was a serious problem but that "it would be unfair to lead the public to believe that it has spread everywhere."

Although he would give no specific fact, Mr. Choquette said that a major concern was organized crime's attempts to gain the confidence of public office holders.

"Organized crime thrives on corruption," he said.

"If we take energetic action at all levels — I mean collecting information, police commission inquiries, prosecutions, action by the revenue department — we can force them (members of organized crime) on the defensive."

Organized crime, he said, "is always seeking acquaintances whether in political, judicial or police quarters,"

and it was often not easy to spot its activity early.

"It's in the nature of things," he said. "They try to get close to public administrators and all persons in a position of authority. It is not always possible to prove although at times it is fairly obvious."

He said the Police Commission, through a public inquiry, could throw a spotlight on some members of organized crime and make life more difficult for them.

The Police Commission could function like the American Crime Investigation Commissions which regularly investigate the activities of organized crime and publish names of persons "known to be implicated in organized crime."

"I know it would be a new principle, but we are living in a world where we must use new methods to deal with new problems," said Mr. Choquette. "I think, it can be done through the Police Commission."

Mr. Choquette also stressed the need for closer co-operation between the various police forces if the fight against crime is to be conducted efficiently.

The white paper on justice, published early this summer, recommended the appointment of a justice deputy minister for police affairs to co-ordinate the work of the various forces.

"He could act as a catalyst and give

NOV 13 1971

MONTREAL STAR

92  
MONTREAL STAR NOV 13 1971

us an overall view of the (organized crime) problem," said Mr. Choquette.

The Montreal police, QPP, RCMP and other municipal forces since 1969 have been co-operating through the research bureau on organized crime but Mr. Choquette still feels that there is some competition among the forces.

"We must overcome the distrust that still exists among some police forces, their desire to keep some information to themselves," he said. "If the fight against organized crime is to be effective, we must come to the point where all forces will consider themselves on an equal footing."

The fight against crime will also require some tougher laws, according to Mr. Choquette.

He is not happy with the federal government's current bill dealing with wire tapping and other forms of electronic eavesdropping.

Under Federal Justice Minister Turner's bill, police forces would have to get the permission of a Superior Court judge to eavesdrop electronically.

Mr. Choquette feels that the final decision should rest with the provincial attorneys-general because "the fact that we have to request a judge's approval only increases the risk that there could be a leak on who is the object of surveillance."

He also said that the Turner bill severely limits the use in court of eavesdropping evidence obtained through illegal means.

Under the Evidence Act, he said, illegally obtained evidence is still admissible in court "providing you tie it con-

clusively to the accused persons.

"As an example," he said, "documents obtained by a seizure without warrant could be used as evidence even if, in fact, they were obtained illegally."

Mr. Choquette said he would also recommend amendments to the Criminal Code allowing judges to impose stiffer sentences on known members of organized crime "when we prove beyond doubt that they are constantly involved in crime."

The government also wants to increase the staff of special revenue department investigators to concentrate on tax evasion and fraud, a common practice of organized crime.

Mr. Choquette said that the battle against organized crime has been stepped up in recent years, particularly by the Quebec Liquor Licence Control Board.

The minister said that there was little the authorities could do when an establishment was run according to the law but that "what betrays organized crime in its nightclub operations is its constant desire to increase profits."

"When they lose their licences, it's because there are so many infractions that it is obvious that the owners or managers want to run their places in a constant state of illegality."

The reorganizations proposed by the government to fight organized crime will require additional personnel and budgets.

But Mr. Choquette added "I don't think we need an army. What we need are dedicated competent people and an overall co-ordination and plan to achieve concrete results."

**Page 762**

**is withheld pursuant to section  
est retenue en vertu de l'article**

**19(1)**

**of the Access to Information Act  
de la Loi sur l'accès à l'information**

TM Home  
SOROKAN / sm

CONFIDENTIAL

Officer in Charge, Intelligence Unit,  
Montreal.

IH255-E-1

IH255-1

Chief Intelligence Officer,  
Home Services Branch, Ottawa.

October 20, 1971.

Criminal Organizations - General.

1. Your report dated October 8, 1971 has been read with  
interest.



*Ad. G.*  
*20/10*

s.19(1)

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s.19(1)

# MEMORANDUM



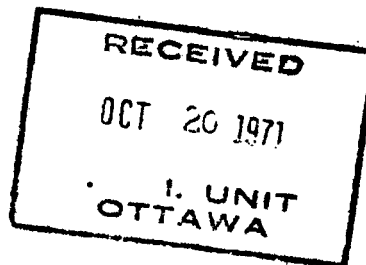
Reg. # 860

CLASSIFICATION

*Confidential*

## REGISTERED MAIL

Manager,  
Intelligence Section,  
Ottawa.



YOUR FILE No. *IH255-1.*  
Votre dossier

OUR FILE No. *IH255-E-1*  
Notre dossier

DATE October 15, 1971.

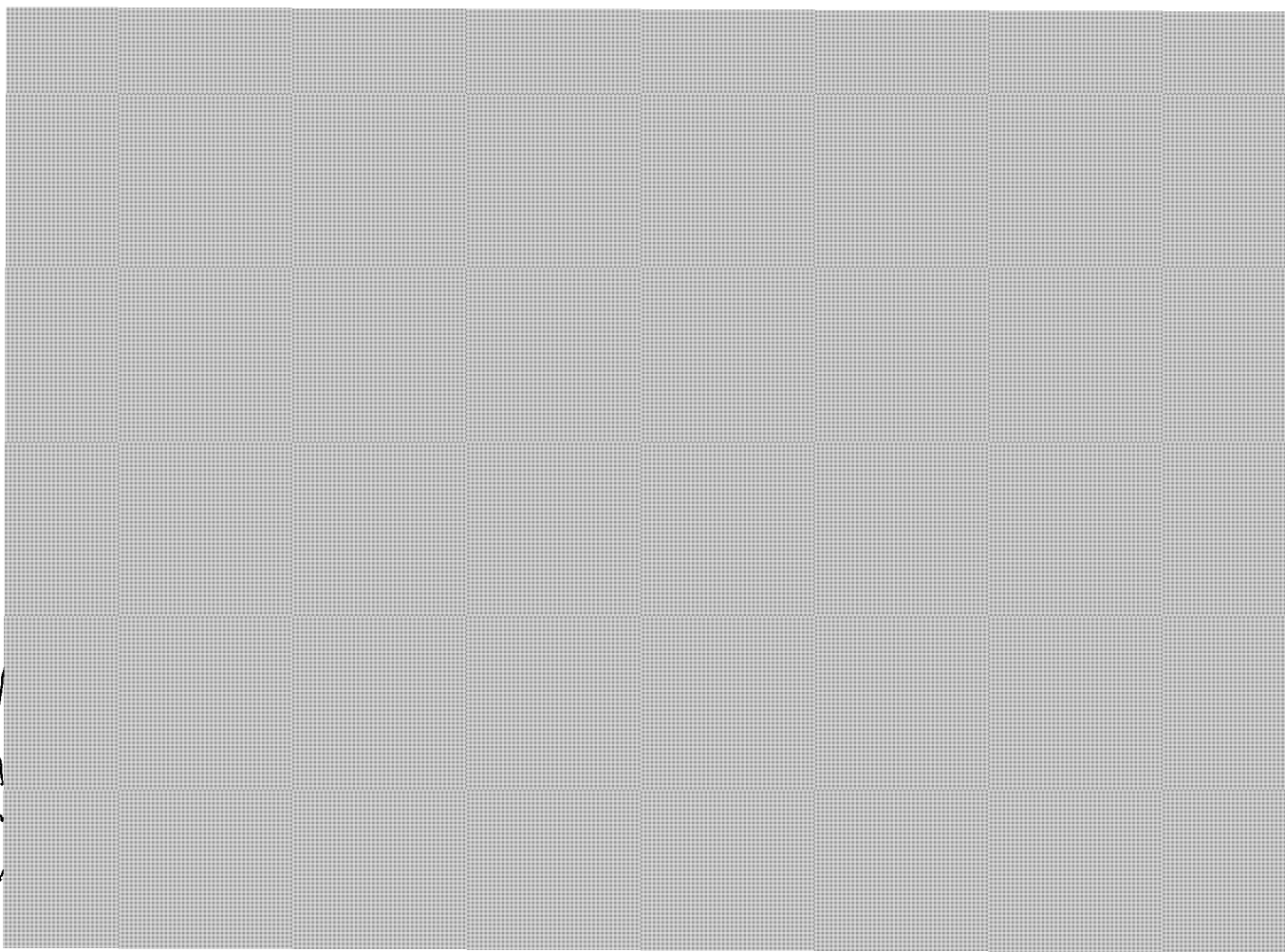
FROM  
De

Officer in Charge,  
Intelligence Unit,  
Montreal.

FOLD

SUBJECT  
Sujet

Criminal Organizations - General



*20/10/71  
JEP  
obtain landing  
for all men  
mentioned  
report*

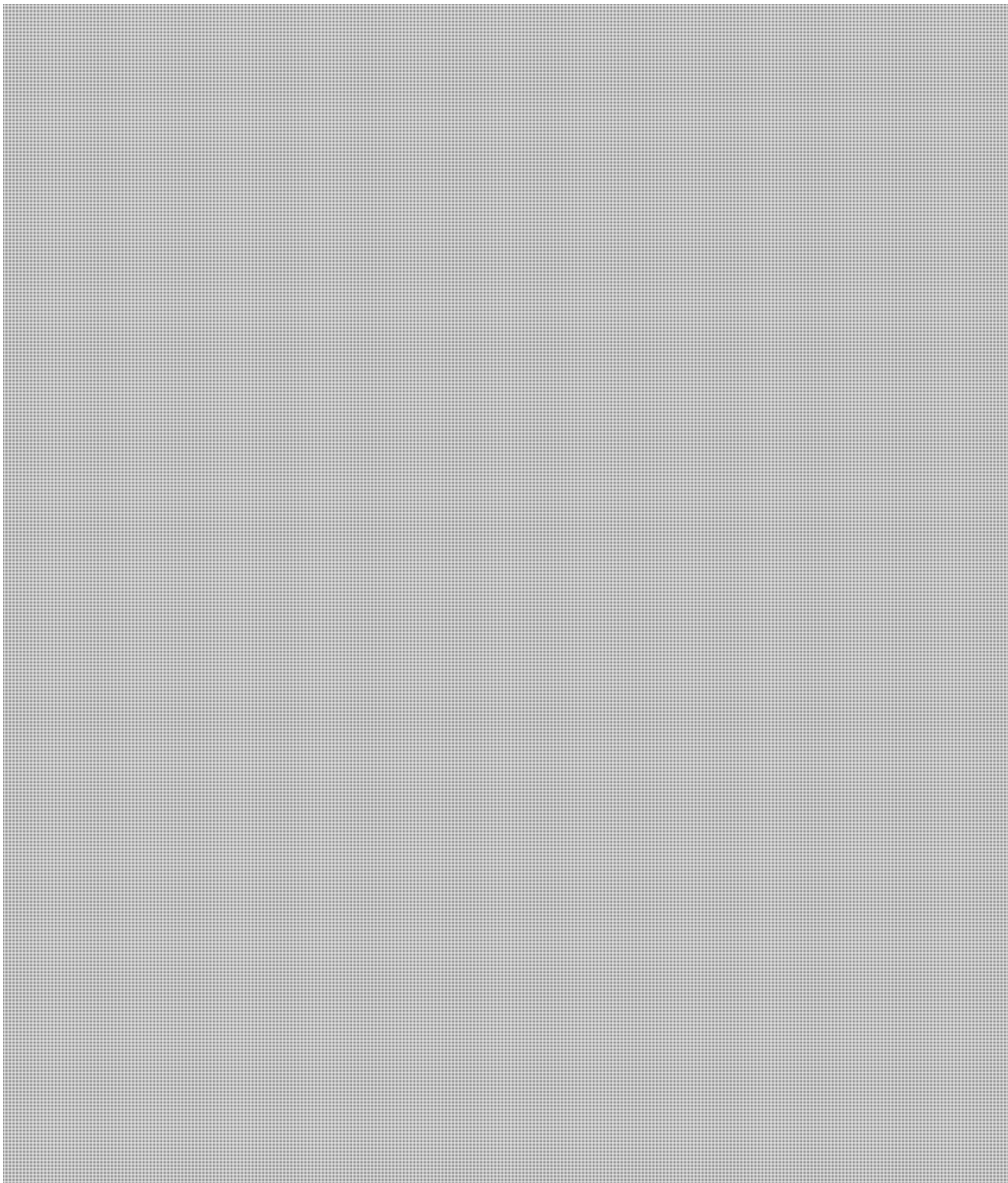
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*for reply  
see this file,  
29/11/71 JEP  
30/11/71*

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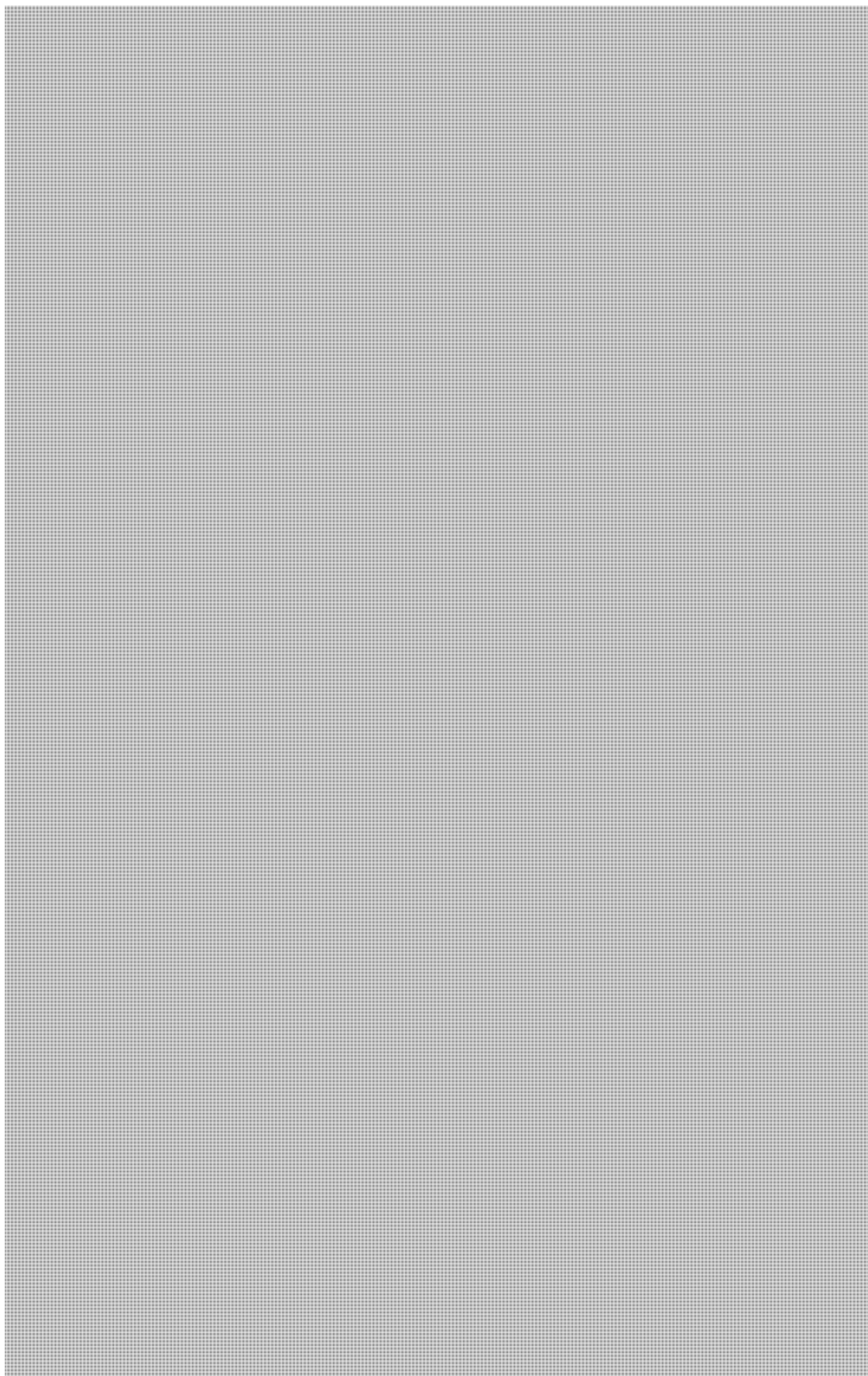
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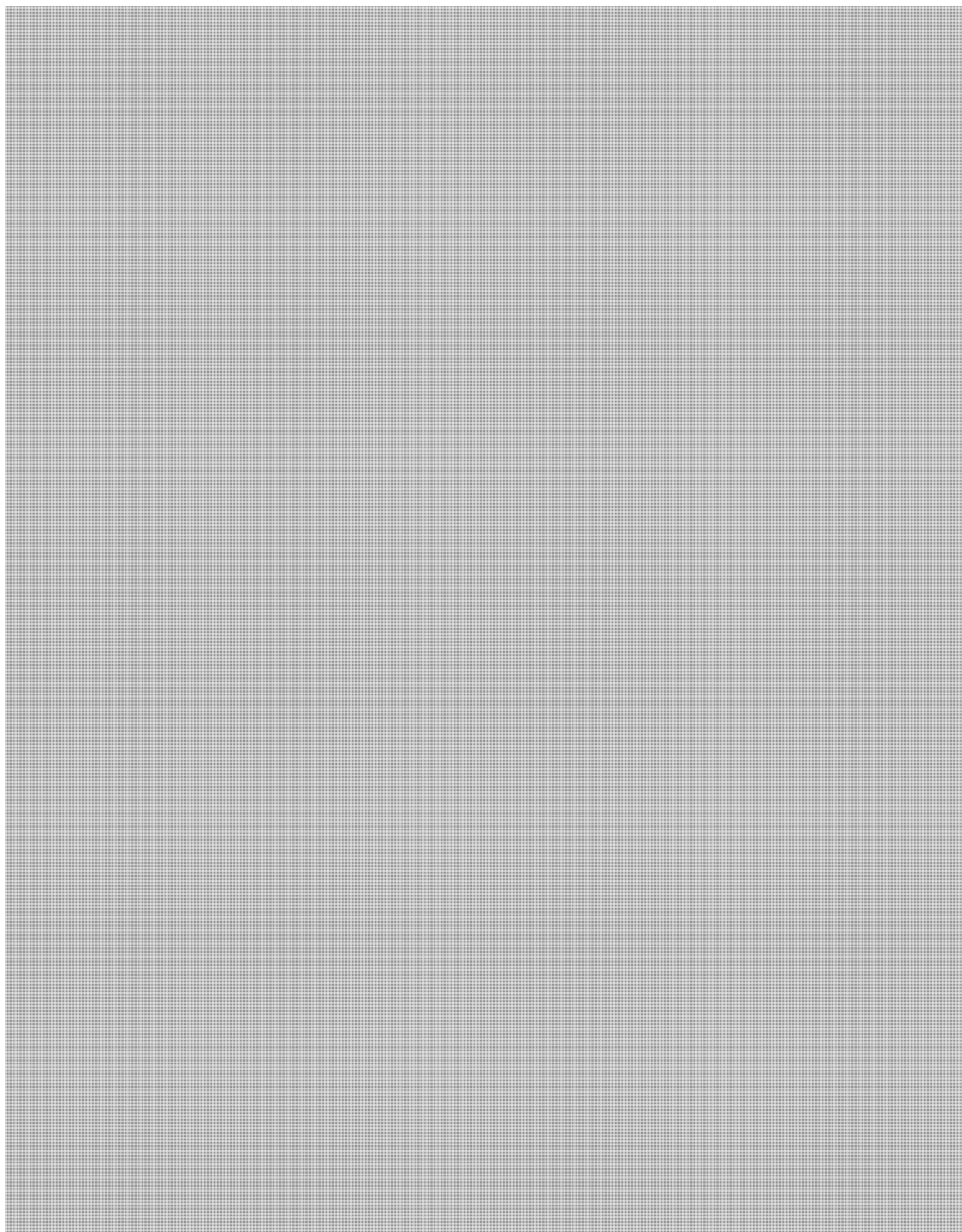
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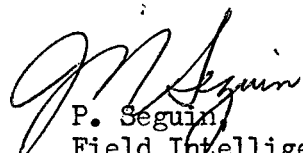
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.. 5 ..



11. All the names mentioned in this report should be verified by I.D.H.Q. for landing record purposes, as it is believed that they will come to our attention a number of times in future gangland killings or involved in rackets pertaining to organized crime.

  
W.K.  
i/c

  
P. Seguin,  
Field Intelligence Officer.

c.c. Director of Immigration Operations, Montreal.  
c.c. District Administrator, CIC, Montreal.

TORONTO TELEGRAM SEP 13 1971

## Rock promoter's name forged on bank directorship

A massive organized crime syndicate, known to its members as The Organization, was uncovered when police opened the briefcase of murdered Atlanta insurance agent Leroy Kerwin. The Organization has been preying on business for years, two Telegram reporters found after a three-month investigation.

By GARY RALPH  
and KESLEY MERRY  
Telegram Staff Reporters

(One of a Series)

The name of one of the promoters of the Rock Hill Park Rock Festival was forged on documents appointing him a director of the Bank of Sark.

The bank, until its closing in January, operated the largest swindle ever involving Canadians, police have said.

Richard Berthiaume, a director of Orange Produc-

tions — promoter of the rock festivals near Orangeville — said his cousin's husband signed Berthiaume's name on a variety of documents with which swindles were carried out, totaling an estimated \$400 million.

A planned rock festival for Labor Day was prevented by a Provincial injunction after Ontario Chief Justice Dalton Wells said previous festivals were "a social disaster . . ."

The bank was actually a third-storey cubbyhole office above a hairdresser's.

The bank had no visible assets except furniture but issued cashier's cheques, stock and other securities to hundreds of criminals of the worldwide syndicate known as The Organization.

None of the securities or cheques, totaling hundreds of thousands of dollars each, were honored, say police.

The bank was struck off the register of companies in Guernsey and dissolved on Jan. 29, 1971.

The 36-year-old Berthiaume, who was interviewed at The Toronto Telegram last month, said he was first approached to become a Bank of Sark director in 1969 as he lay in bed in Toronto General Hospital recovering from open heart surgery.

His cousin's husband, Herbert Lion Singer, a Laval businessman, came to the hospital to tell Berthiaume "he wanted to get me back on my feet — out of the race of selling aluminum siding."

Afterwards, Singer visited again saying he had made Berthiaume a director of a bank.

"I just laughed," said Berthiaume, "because I knew you had to sign something to be a director and I hadn't signed anything."

Berthiaume had been involved with Singer in 1965 in a plan to sell carpet tiles in Quebec but the deal fell flat and Berthiaume lost most of his \$3,000 investment in the business, he said.

Berthiaume "passed off" the bank directorship as more of Singer's fantasies, he said, and was only reminded of it when Singer told him he was "working on it."

Then a story in The Toronto Telegram by staff reporter Wade Rowland, in 1970, indicated the fraudulent nature of the Bank of Sark and noted police were looking for Mr. Singer.

Singer came to Toronto to assure Berthiaume the story was "ridiculous," and to show him documents in the bank and an insurance company called Tangible Risk Insurance Co. Ltd. which mentioned huge sums of money and reliable backing.

He also showed Berthiaume a copy of a letter purporting to be Berthiaume's resignation from the board of directors of the bank. Similar letters were

found at Singer's home during investigations showing Singer and other "directors" had resigned their posts shortly after receiving their congratulations at being appointed to the board.

Company records in Guernsey, however, show Singer was at a February meeting of the bank's directors last year and elected Berthiaume and four other Canadians to the board with himself as chairman of the board, said the Guernsey registrar.

As he was showing the letter to Berthiaume, said the Orangeville boutique owner and music promoter, Singer was saying, "We made you a director and here's a photo copy of a letter declining acceptance . . . I'm going to straighten this thing out right now."

Although, as far as Berthiaume was concerned, the Bank of Sark was out of the picture, Singer was still proposing the two men do business together.

"He said 'we still want you; we're working on mortgages and we've got large amounts of money, half a million dollars and up, to lend on things like apartment buildings and you can come to Montreal and set up an office or work in Toronto.'"

Berthiaume, still skeptical, said he would think about setting up such an office in Toronto. And Singer showed him more papers dealing with First Liberty Fund and financial statements of what appeared to be reliable companies with large amounts of money on hand.

Singer told Berthiaume: "If you hear of anyone who needs large amounts of cash, call Philippe La-Ferriere (a Singer associate) at Can-Am Investment Co. in Montreal."

The next time Berthiaume heard of the Bank of Sark or other deals, he said, was when the RCMP called to question him.

Berthiaume tried to get an explanation of the Mountie's visit from Singer, but the Montrealer had flown to Zurich.

The RCMP officer who first questioned him, early this spring, told Berthiaume Singer had three bank accounts with \$65,000 in one, said Berthiaume who thought his cousin was broke.

After being questioned for five hours, Berthiaume was worried. He made calls to Singer's wife and, finally, Singer made an appearance, meeting Berthiaume at Toronto International Airport during a flight from Montreal to Chicago or Philadelphia, said Berthiaume.

"I'm going to take you with me and show you this is an honest deal," Singer told Berthiaume. And Singer promised to take Berthiaume off to Switzerland, so convincingly Berthiaume "ran out and got a passport."

Again, Singer dropped from contact until the Mounties came calling in Orangeville once more, said Berthiaume.

After that interrogation, Berthiaume contacted Singer in Miami, Florida, by telephone and demanded to know what was going on, he said. Singer said there was nothing to be upset about nor any reason for the Mounties to be interested. He had, said Singer, been checked by the FBI and had "come out clean."

The last time Berthiaume talked to Singer, he said, was by telephone in late July. Questioned by a member of the Ontario Legislature, Berthiaume placed a call to Montreal to catch Singer in a bad mood because of a marital argument.

Singer made little sense on the telephone but mentioned one man as being involved with the swindles — the man was Strauss — Michael Stevens Strauss of Tampa, Florida who is now being sought by police in various states.

TORONTO TELEGRAPH SEP 11 1971

# Small island bank was used to steal \$400 million

A massive organized crime syndicate, known to its members as The Organization, was uncovered when police opened the briefcase of murdered Atlanta insurance agent Leroy Kerwin. The Organization has been preying on business for years, two Telegram reporters found after a three-month investigation. This is one of a series.

By GARY RALPH  
and KESLEY MERRY  
Telegram Staff Reporters

An improbable little bank on one of the smallest of the Channel Islands, has become the core of the largest swindle in Canada's history. In two years, from its revival by organized crime to its death by Government decree, the bank was used to steal about \$400 million throughout the world.

Begun as a private family depository by a wealthy Sark landowner, the Bank of Sark became dormant soon after its birth in 1966 on the 1.9-square-mile island of Sark, inhabited by a few hundred fishermen and farmers off the coast of England.

Because the bank was able to operate in the Channel Islands without the restraints of ordinary corporation laws, its charter became a plum for John Henry Augustin Risely-Pritchard of Holland Park in

London, England. Risely-Pritchard's job for The Organization — the worldwide organized crime syndicate — was to revive dormant companies which could then be used for various swindles.

He had done the same sort of thing for an English cut-rate auto insurance company that went bankrupt after its use and looting by mobsters in 1968.

So, in 1969, the Bank of Sark became the bank for The Organization's huge complex of insurance companies. The money collected in premiums would go to Swiss, American and Canadian bank accounts and into the pockets of the mob. The money owing on claims would be paid in the form of cashier's drafts or certified cheques drawn on the Bank of Sark.

A Belgium firm was paid \$12,000 for an insurance claim this way. The Polish Air Force was given Bank

of Sark cheques to pay for insurance coverage on a couple of fighters that had crashed.

None of the Bank of Sark's paper was any good. Its own certified cheques bounced.

The bank was also used as a custodian of mob stock. And the stock, that was used as collateral for bank loans or sold on the market throughout North American and Europe, was just as bad as the certified cheques.

The bank set up offices on the more commercial island of Guernsey where the Channel Islands' Government is located. Actually, the bank was one office with rented furniture and a Telex machine, housed on the third storey of a building, above a hairdresser's and an optician.

Its resident manager was Bernard Green, better known in his home town of St. Louis, Mo., as Bernard Greenberg and now known as Bernard Greenbaum in Tel Aviv where he is in hiding.

At one time the manager was a 17-year-old waitress conscripted to answer the bank's telephone.

The bank was struck off the register of companies in Guernsey and dissolved on Jan. 29, after the Channel Islands passed a law forcing companies to stop using the title "bank" indiscriminately.

Its last annual report, filed on Jan. 1, 1970, shows its directors as Risely-Pritchard and Herbert Lion Singer of 1376 Franklin Dr., Laval, Quebec.



Risely-Pritchard resigned in February, 1970, turning the whole operation over to chief swindler Philip Morell Wilson of St. Louis, Mo., and his cohorts.

Singer is what is known as a "front man," a man whose name appears on company documents and, consequently, the man who is the first to be called on when the police move in.

The real directors of the Bank of Sark were the men who were able to take out the cash: In this case the "authorized signatories," according to documents filed in Guernsey, were P. M. Wilson, of St. Louis, and Richard Brandom, 53 Tedworth Square, London, England, known to police and insurance investigators around the world as Ricky Brandom.

For the record, in Guernsey Singer wrote a letter advising Green he did not accept the appointment to the board of directors of the Bank of Sark. The letter was written April 2, 1970 after a March 16 message from Green saying Singer had been placed on the board.

But, also on the company records, are minutes of two board of directors meetings in February, 1970. On Feb. 19 Singer was apparently at a board meeting with Risely-Pritchard and appointed an all-Canadian board of directors for the bank. Risely-Pritchard is supposed to have resigned from the bank at that time, leaving Singer as chairman of the board.

On Feb. 26, Singer held a board meeting that ruled Risely-Pritchard and a Miss Vicki Glover (Head) could no longer sign cheques on the bank while Wilson and Brandom could.

Between 1969 and January of this year, the Bank of Sark was a very busy operation:

It seemed that every swindler in the world had securities or cashier's drafts that were linked with or written on the Bank of Sark. A Mafia figure, Louis (The Doctor) Mastrianai, sentenced in May to four years for selling worthless securities, passed Sark drafts worth \$24,000 to buy four new Lincoln cars; Braniff Airlines got drafts for \$22,254.90 in payment of air travel-card bills.

It was a time of tight money and few banks knew what an off-shore fund was or believed a foreign bank could be crooked. Many found out the way the Mercantile National Bank of Dallas did in February, 1970.

William Donald Shepherd of Houston, Texas, said he was given Bank of Sark drafts after a meeting with Phil Wilson of Group Management Finance and Development.

8  
p. 2  
TORONTO TELEGRAM SEP 11 1971

Group Management, one of many Wilson companies, was a key company in the collection of cash from The Organization's swindlers and in the distribution of phony stocks.

Shepherd told the FBI and the press he took some of the drafts (part of the total worth \$1.3 million) to the Mercantile National in Dallas, cashing two for \$320,000.

The Mercantile sent the drafts (comparable with certified cheques guaranteed by a bank) back to the Bank of Sark for collection. The drafts came winging back marked "accounts closed."

Lawyers Johnson, McElroy and Cravens, working for the bank, wrote a detailed two-page letter to the Bank of Sark insisting the cheques be honored or action would be taken.

The Bank of Sark, over the signature of B. Green, "consultant to the director," wrote back:

"At this time our attorneys are reviewing your letter regarding Mercantile National Bank at Dallas and the returned drafts.

"The drafts in question are signed by a depositor, not an officer of the bank and we feel we definitely do not have liability in this matter.

"Looking forward to hearing from you again and if there is anything we may do to be of service, please do not hesitate to contact us immediately."

The Mercantile could only scribble a plaintive note across the Sarkian file — "Maybe we have forgery coverage."

## THE ORGANIZATION

TORONTO TELEGRAM SEP 10 1971

# \$300 million haul in one year from phony insurance

A massive organized crime syndicate, known to its members as The Organization, was uncovered when police opened the briefcase of murdered Atlanta insurance agent Leroy Kerwin. The Organization has been preying on business for years, two Telegram reporters found after a three-month investigation.



PHILIP WILSON  
... arrested nine times

By GARY RALPH  
and KESLEY MERRY  
Telegram Staff Reporters

(One of a series)

More than \$300 million was collected by one mob-backed insurance company for phony policies in one year, the company's former U.S. manager has revealed.

The company was Trans-Continental Casualty Insurance Co. Ltd., a Nassau-incorporated firm that served as the holding company for an estimated 200 insurance companies throughout the world. Trans-Continental, whose officers have been credited with the largest swindles in history, was wound up in November, 1970.

Another company, in Reno, Nevada, has taken its place as the major insurance company in organized crime's international network.

Two Toronto insurance companies that were named as subsidiaries of Trans-Continental were tossed out of Ontario by action of the Superintendent of Insurance in the past few years. But other subsidiaries are still operating throughout Canada.

By itself, the statement of James Owens, of Pompano Beach, Florida, would be suspect. But it has been backed up, since it was made, by U.S. insurance commissioners.

Lloyds of London, the world's most prestigious insurance company, blacklisted 30 of the mob's companies in 1969 but failed to stop them from operating.

The highpoint of the insurance company's two years in operations was the Bank of Sark — the collective name of a swindle that may have cost the world's business community more than \$400 million. That bank, on the tiny island of Sark in the English Channel, was operated by Montreal men under direction from the officers of Trans-Continental Casualty.

The Bank of Sark was closed in February but its officers have moved back to Montreal for other operations in loan and insurance fields.

The statement by Owens was made to insurance officials in Florida on Jan. 7, last year. It has only recently surfaced from the files of the state after a change in the officials of the department.

While grand juries in at least four states have brought down indictments against Trans-Continental officers, none of the prosecutions are based on the Trans-Continental theft of \$300 million, between 1968 and 1969.

Owens was first called by Frank Blosser, a convicted swindler and expert in floating phony mining stock, on Oct. 1, 1968, and asked to become the U.S. manager "of a foreign insurance company with assets in excess of \$100 million, desiring to do business in the U.S."

Naturally, Owens jumped at the chance and headed to Florida to set up an insurance office there and an office in Nassau.

His troubles with the management began early. In trying to prepare an annual report for the company for 1969, Owens told insurance investigators, he tried to verify the securities that Trans-Continental was supposed to hold. He was given constant runarounds by Blosser and the company's attorney and never did find out if the securities even existed.

In March, 1969, Owens met Philip Wilson, a jag-eared, close-cropped 33-year-old from St. Ann, a suburb of St. Louis, Missouri. Wilson has been arrested at least nine times on various swindling charges but his only conviction so far is contempt of a grand jury in California. He was fined \$300 for missing a day before the jury.

Wilson is the man who arranged to supply murdered Atlanta insurance agent and mobster Leroy Kerwin with shares in First Liberty Fund, a Bank of Sark-connected stock, and AFCA, a stock originated by Canadians. Kerwin was to borrow \$600,000 with the stocks as collateral but was turned down in a bid to get a loan from a bank branch in Toronto.

Owens said he was told Wilson was president and chief executive officer of International General Agency, Inter-Continental Managers and several small insurance companies in Missouri.

Wilson was with a Chicago man now under indictment for mail fraud in establishing a trust fund to pay off insurance claims with land that was worth far less than was claimed.

The meeting with Wilson and his runner was to set up a reinsurance treaty between the companies — such a treaty would bind Trans-Continental to pick up some of the insurance policies issued by the Missouri companies, a standard practice in the insurance field preventing one company from bearing the whole load of claim payments.

Trans-Continental, however, failed to put up a required \$1,250,000 reserve fund enabling it to do business in the state of Florida.

The Missouri companies went about busily selling insurance but Wilson's crew refused to tell Owens what they were selling or to whom, he said.

In effect, the Missouri companies, and about 50 other U.S. insurance outlets, were peddling policies and collecting premiums which were sent to Trans-Continental's bank accounts. But Trans-Continental, not being licensed to sell insurance in the United States, was also not governed by any U.S. law. There was no way to force Trans-Continental to pay off on claims and no way to check its bank accounts.

In a board of directors meeting in July, 1969, Owens was told things would change with prominent people being placed on the board. Such prominent people included Wendell Thompson, a supposed wealthy oil and gas man from Burbank, California.

To shore up the credit of Trans-Continental, Thompson was to plow in \$200 million in assets in return for 10 per cent of the stock. In checking Thompson's credit rating, Owens said he found a Burbank bank had already made a loan of \$1,500,000 to Thompson to run his oil and gas holdings.

Owens set about establishing a trust fund for Trans-Continental — out of which insurance claims could be honored in the U.S. He was given \$2 million in gas and oil bonds to put into the fund.

3  
P-2  
TORONTO TELEGRAM

SEP 10 1971

Then, he found the company on which the bonds were written, wasn't registered as a corporation in the state in which it was supposed to be located.

Nevertheless, Blosser made more excuses and came up with \$4 million in the same bonds for Owens to establish a European trust agreement covering Trans-Continental policies written on the Continent.

In September, filled with doubts but plunging onward, Owens went to the International Reinsurance Conference in Europe. There, in Belgium, Switzerland and London, he was shown about 50 of the reinsurance treaties "bearing an unauthorized signature and stamp for Trans-Continental," with a possible total value to the Nassau company of \$300 million in premiums.

Owens was also, he said, shown a cable stating Phil Wilson was going to fire him when he returned to the U.S.

When Owens did return, he said in his seven-page signed statement, he gave all the "fraudulent" material he had collected to Blosser and told him of the treaties that were "spread from Israel to the U.S. in every reinsurance market known . . . including markets behind the Iron Curtain."

He named Blosser, the New York attorney for Trans-Continental, the St. Louis men and a couple of English associates, as "obviously professional at convincing legitimate, trusting people to pass over large sums of money on a seemingly legitimate contractual basis with their only intent being to use these funds for their own personal benefit."

Owens' own signature, he said, was forged not only on insurance treaties but on loan commitments made through Trans-Continental by other officers. The money went into 15 bank accounts in Florida, New York, Nashville, Tenn., Birmingham, Ala., Nassau, Kansas City, Mo., Kansas and Belgium, said Owens in a detailed list of the accounts used.

Some was taken out on cheques again using Owens' forged signature, said Owens. About \$9 million disappeared into the Bank of Sark, a dismal third-storey office on an island on which only a few hundred people live.

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TORONTO TELEGRAM

SEP - 6 1971

# The \$500,000 swindle that failed... three times

When police opened the briefcase of murdered Atlanta insurance agent Leroy Kerwin they found some evidence of a massive organized crime syndicate that has been preying on the business community for years. For the past three months, two Toronto Telegram reporters have gone on a search for the nucleus of this syndicate. They found a worldwide conspiracy of commercial criminals, known to its members as The Organization that has flourished without detection. And they have found men on the other side of the law who feel public disclosure is the only way of fighting The Organization. This is one in a series of their reports.

By GARY RALPH and KESLEY MERRY  
Telegram Staff Reporters

Three times last year, Leroy Kerwin tried to swindle a Toronto bank branch of \$500,000.

The Atlanta insurance agent and mobster told the bank manager in the Lakeshore Blvd. W. branch he was acting as a middleman for a Toronto businessman in the area.

Kerwin said he was willing to put up as collateral impressively-printed share certificates in a Bahamas-based mutual fund to guarantee the loan.

The bank manager, more astute than dozens of others in the past have been, refused to accept the so-called "offshore" shares in First Liberty Mutual Fund.

Kerwin then offered to further underwrite the fund's shares by giving the manager a letter from the Texas Trust Company offering to buy back the shares at a set value should the bank recall the loan. The manager still did not bite. Kerwin had cause to press for a loan. He had been given the 60,000 shares by the mob in April and told to borrow \$600,000 against them. As early as June of last year the mob was demanding its stock back.

Two months after his last visit, Kerwin arrived in Toronto on a 9:20 a.m. flight from Atlanta planning an overnight visit during which he would see a

Its officers include some of the top names in the swindling games now under investigation. Many investors who now hold the fund certificates cannot find buyers for them.

The custodian bank of the fund is listed by the fund as the Bank of Sark, labelled as perhaps the largest single fraud operation in the world and certainly the largest that ever concerned Canadians.

The SEC in Washington has formed a special task force that is now gathering evidence on First Liberty and a long list of other doubtfully valued stocks and bonds.

In short, the fund is useless as loan collateral although it has been used that way from coast to coast in both Canada and the United States.

The Texas Trust Company, the so-called guarantor of the shares to be pledged with the Toronto bank, has been forced to stop operating and officials of the Texas Attorney General's department are currently investigating the firm.

No doubt, Kerwin's plan was to obtain the loan and either steal the full amount or collect a generous fee for arranging it from the grateful but unsuspecting Toronto businessman, leaving him and the bank to fight over what would inevitably turn out to be unusable collateral.

The attempt to literally rob a bank of half a million dollars wasn't Kerwin's first excursion into the loan rackets of The Organization.

An Atlanta printer has told police he produced work for Kerwin and his firm including statements for a tire company they owned and forms for First Financial Life Insurance Co. of Texas, of which Leon Cohen, Kerwin's partner, was one-time president.

## Forged certificates

About three years ago, said the printer, Kerwin and another man approached him to persuade him to print counterfeit cash deposit certificates on the Bank of Georgia. The printer said the certificates were to be used, by Kerwin, as collateral on loans and insurance policies. The printer sent Kerwin looking for someone else to produce the forgeries.

The Organization is based on phony stocks, forged certificates and companies whose assets are created on mob printing presses.

Kerwin set up Texas Trust as a holding company last year, for use in many schemes he had planned.

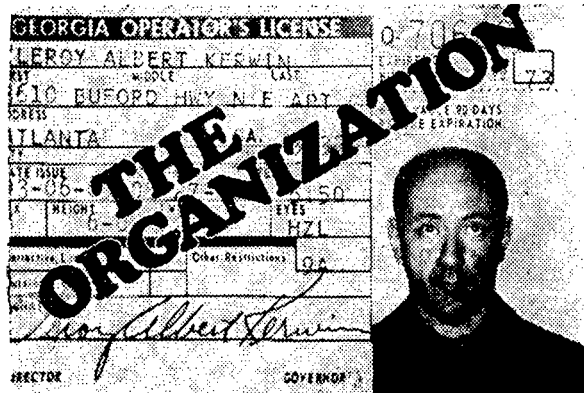
Harold Audsley, 41, a Florida man who is president of a company called Market Masters Inc., of Fort Lauderdale, wrote Kerwin a letter guaranteeing to donate \$5 million worth of assets to this holding company. The assets were to include the same old First Liberty Mutual Fund shares.

In return, Audsley's company was to get 25 per cent of the shares of the holding company and exclusive rights to issue letters of commitment on loans for the company.

Audsley was interviewed by insurance investigators this year and told them he was currently broke. He rambled for five hours, telling them how to make money on fraudulent stock deals and international swindles, but giving them little evidence to use.

Audsley has been connected with Mafia figures in another stock deal in New York.

The casually dressed Audsley pontificated in a dark restaurant booth but stressed that he was dying



businessman. He didn't keep his appointment. Instead he was murdered shortly after touchdown, his death eventually leading to a massive investigation of an international group of swindlers perhaps 10,000 strong.

The First Liberty shares were still in his briefcase during the fatal trip.

Kerwin's attempts at obtaining a loan were typical of one of the many types of swindles on which organized crime feeds.

First Liberty Mutual Fund is registered in Nassau, beyond the controls of the Securities and Exchange Commission in the United States.

2

TORONTO TELEGRAM

SEP - 6 1971

of cancer and too sick to appear before grand juries or sign statements.

The investigators failed to find the office of any company called Market Masters Inc. But they found a bonanza of mob information when they raided the Texas Trust offices.

Along with the letters from Market Masters to Kerwin, in the Texas Trust files, was a letter from a Swiss bank informing Kerwin the bank had received 60,000 shares of First Liberty Fund stock and was looking for people to lend money in return for the stock. Kerwin was to retain \$110,000 turning \$490,000 over to Audsley. The bank failed to find a lender and returned the stock, apparently.

Investigators believe now that Kerwin was to go into a multi-million dollar business with Audsley after cleaning up on what he could in Atlanta. Kerwin was planning to move into a \$100,000 home in Dallas, Texas, when the firm of Cohen, Kerwin and White was sold.

From a Dallas base, Kerwin could have made many profitable deals with the Florida group.

### Interesting credit record

Mr. Audsley's background shows a monumental list of lawsuits have been filed against him: One bank in 1968 was given a judgment of \$76,000 plus interest. The bank claimed Audsley borrowed \$85,000 from the bank through his company by pledging \$95,000 in bonds in an Arizona water corporation. The bonds were finally sold at an auction to satisfy the claim. They brought \$95.

Audsley's partner Byron Prugh, of Market Masters in Fort Lauderdale, has an equally interesting credit record: He was successfully sued for a total of \$187,000 by three companies and his Kansas company went into bankruptcy owing \$2,340,000 in unsecured claims.

### Murderers and loansharks

With the past records of men such as Audsley and Prugh, in the financial field, and Kerwin's as an associate of Mafia murderers and loansharks such as Felix "Milwaukee Phil" Alderisio of Chicago (now in Leavenworth Prison), it's a wonder their own mothers trust them, much less businessmen in the far-off reaches of Toronto.

Yet, Kerwin was bringing to Toronto, on the day of his death, an insurance policy for \$1 million for the Toronto man. The premium for one year on such a policy was \$22,000 and the businessman had already made a \$4,040 down payment.

Kerwin's death stopped the issuance of that policy. The down payment was refunded. It also opened an investigation that is bound to shake up the insurance business and quite a few other financial empires.

Tomorrow this series will deal with one cattle empire in Oklahoma that now totters on the brink of ruin and the \$1.5 million interest in that empire that is now held by four Toronto insurance companies.

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TORONTO TELEGRAM SEP - 7 1971

# Murder may get local insurers off \$1.5 million hook

By GARRY RALPH  
and KESLEY MERRY  
Telegram Staff Reporters

The murder of Atlanta insurance man Leroy Kerwin may get four Canadian insurance companies off the hook for their \$1.5 million share in the world's largest single life insurance claim.

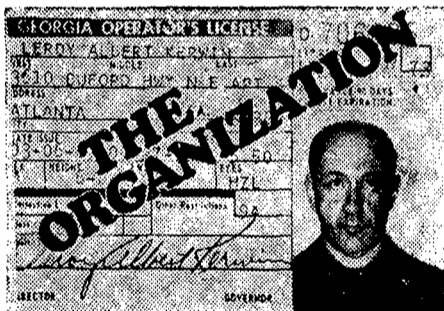
Insurance companies, rather than standing liable alone for the payment of huge claims, parcel such policies out — or "reinsure" them — to other insurance companies. In 1970, the four local companies accepted a share of \$15 million in policies written on the life of Oklahoma cattle baron E. C. Mullendore III, 32-year-old heir to the state's foremost family.

The policies had been written originally by the Atlanta firm of Cohen, Kerwin, White and Associates.

Last September, Mullendore was working in his study in an underground fall-out shelter built at his Cross Bell ranch.

As his bodyguard Damon "Chubb" Anderson told it to police, he was upstairs when he heard shots. He ran to the study to find Mullendore slumped over his desk. He ran to his boss to find a bullet hole between Mullendore's eyes.

Anderson then felt a gun in his back



and swiveled around quickly. He was shot in the shoulder, he said. Pulling a .25 calibre automatic Anderson had a gunfight with the killer and chased him away.

A once-convicted horse thief, Anderson had been taken on as a bodyguard to Mullendore as part of the "millionaire's" policy of hiring ex-convicts. Anderson has been questioned time and again, arrested on gun possession charges and violation of parole. But, each time he has been released by police still puzzled about the murder. A former state attorney general managed to have Anderson's seven-year-old conviction reversed.

Papers in Kerwin's briefcase — including a hand-scrawled note reading

"Arr. prob. for Chubb," — have shed new light on the tangled insurance problems of the Mullendore estate.

Kerwin, through his agency, was introduced to Mullendore through a Texas millionaire, Morris Jaffee, of San Antonio, and John W. Mecom Jr., owner of the New Orleans Saints professional football team. Mecom was Mullendore's brother-in-law.

Jaffee owned First Financial Life Insurance Co. of San Antonio and The Texas Trust Co. of Dallas, for which Kerwin worked. Both companies have

ceased doing business because of actions of the Texas Attorney General's department.

Leon Cohen, Kerwin's partner, was president of First Financial Life of Dallas, a Jaffee company which is now up for sale. Kerwin represented himself as president of Texas Trust.

Cohen and Kerwin sold the \$15 million in life insurance to Mullendore in 1969. A beneficiary was Mullendore's wife who was trying to obtain a divorce in 1970.

## Celebrity customers

But, after selling the policies, Cohen, Kerwin and White's agency (White has dropped out of the partnership), acted for Mullendore in obtaining more than \$1 million in loans. Cohen told investigators his insurance agency gave an added benefit to customers: after selling large policies, the agency would put money, in the form of large certificates of deposit, in banks and use such certificates to obtain loans for their clients.

The agency collected six per cent off the top of the loan for this service. Some celebrities were Cohen customers.

One loan was made to Mullendore so he could pay the first year's premium on his insurance policies — \$175,000. Another loan was made "for house repairs" — \$250,000 in repairs.

The agency collected a total of \$25,500 for these two loans.

And Cohen himself lent Mullendore \$40,000 in cash, he told a court.

While the agency was collecting its commissions for all the favors for Mullendore, more than 40 insurance firms were picking up parts of that \$15 million risk first carried by United Family Life of Atlanta another Jaffee-connected company. United Family kept only \$40,000 of the risk.

The major re-insurers of the 40 compa-

nies are now refusing to pay off on the death claim, saying Mullendore misrepresented his worth when he applied for the policies and that the policies were only taken to allow him to make loans.

The rancher claimed assets in excess of \$37 million when, in fact, his ranch empire was heavily mortgaged and worth perhaps \$10,000 in clear profit.

## Facing foreclosure

The Cross Bell was one of Oklahoma's largest ranches, built by Mullendore's grandfather in the 1893 land rush. Early in the 1960's, it was turned over to the young Mullendore by his father who was going blind. There is some evidence that Mullendore III felt in with men from the Organization — organized crime's financial department — and lost his money on real estate speculation and other deals.

At the time of his death, Mullendore was facing foreclosure by one U.S. government-connected farm assistance organization which held a huge mortgage on the ranch. Only 3,000 head of cattle were left, out of a herd of 16,500 at the beginning of 1970.

There is speculation Mullendore had himself murdered for the insurance to perpetuate the name of the dynasty.

The Mullendores tried to live up to the movie-style traditions of the Wild West. One of them was in the habit of sitting in the living room of the ranch house waving a six-shooter around. Mullendore III used snuff constantly and wore cowboy clothes to go with his drawling range talk.

But, at the end, only the life insurance could save the almost-bankrupt ranch that spread over 50,000 acres in two states.

When the insurance companies refused to pay immediately, Linda Vance Mullendore, his wife, filed a \$50 million lawsuit against them claiming she and

P. 2 .  
TORONTO TELEGRAM SEP - 7 1971

her husband's parents have been forced into bankruptcy. That action was dismissed in a Tulsa court last month.

The State of Georgia imposed a \$3 million penalty because the claim was not paid within 30 days, bringing the total amount of money involved to \$68 million.

There was some money paid out on the death of E. C. Mullendore III, money that not even his creditors know about.

Two insurance policies, taken out long before Mullendore was killed, were paid off quickly. Out of a total of \$680,000, two banks redeemed pledges for about \$200,000 but the investigators who traced the pay-outs say the rest went to Mrs. Mullendore.

It was deposited in an account at the Marine Midland Bank in New York City.

### Gun never found

The mystery of the Mullendore murder is as complex and deep as the flamboyance of the man himself. He was once tossed off a plane when he told the crew he was to take the plane to Cuba.

The gun that killed him was never found despite a search by a club that normally hunts for buried treasure with mine detectors.

The Kerwin briefcase contained a promissory note from Linda Mullendore to Cohen, Kerwin and White's agency, for \$350,000 — a paper that anyone else would have kept in a strong box.

This sum was apparently to pay off premiums interest and loans owed to the agency by the family. Insurance investigators say they have never been able to find documents that Mullendore ever paid the Kerwin agency the premium for his policies.

A strange character showed up in Atlanta, long after Mullendore's death, to offer to sell to the insurance company

investigators tape recordings of telephone conversations between Mrs. Mullendore and Leon Cohen. The tapes were supposedly stolen from desks at the agency during a break-in, after Kerwin's December disappearance.

The seller wanted \$10,000 for the tapes and ledger pages also stolen.

Police are more interested in why the material is being sold than in the material itself.

They speculate that it may be an attempt by some of the leading figures in the intricate financial workings with which Kerwin, Cohen and Mullendore were involved, to cut Cohen out once and for all.

### Stolen Ontario bonds

Kerwin's former partner is already in financial difficulties with more than \$500,000 worth of law suits against him. He has also admitted he can no longer find insurance companies willing to let him represent them.

Recently he told police in Georgia he had been tipped off that his house was going to be burglarized and he was going to be murdered.

The treks back and forth across the U.S. by insurance investigators, who have spent more than \$60,000 on the investigation, may never unravel the Mullendore story but they will make it difficult for anyone to obtain such large insurance policies again without full checks.

Tomorrow this series will concentrate on Kerwin's suspected killer, Teddy Young, a man who is said to have made quiet threats that he carried out by breaking a man's legs or by killing him. Teddy Young and Lee Kerwin were but two small fish in the ocean of The Organization — the criminal syndicate.

But Young and his pals became barracudas to a Toronto stockbroker.

Officers-in-Charge,  
Intelligence Units,  
Montreal - Toronto - Windsor - Vancouver

IH255-1

for Chief, Intelligence Section,  
Home Services Branch, Ottawa

September 1,  
1971.

Criminal Organisations - General

Encl.

1. Enclosed herewith please find photostatic copy of an article entitled "organized crime . . ." which appeared in the May 1971 issue of the Canadian Security Gazette.
2. We have created file on Canadian Security Gazette, file number IH306-3, to accommodate the publication. You may wish to take similar action.

Copies placed: IH255-1

IH288-1

IH287-USA-1

IH306-3

# organized crime . . . .



By Walter R. Lee

Mr. Lee is a former member of the R.C.M.P., having served from 1940 to 1963 and during most of his service was connected with Criminal Investigation Branches in Nova Scotia and at "O" Division in Toronto. In the past eight years he has been employed as an Intelligence Officer with the Ontario Police Commission in Toronto where he is engaged in the co-ordination of Police activities in the fight against Organized Crime.

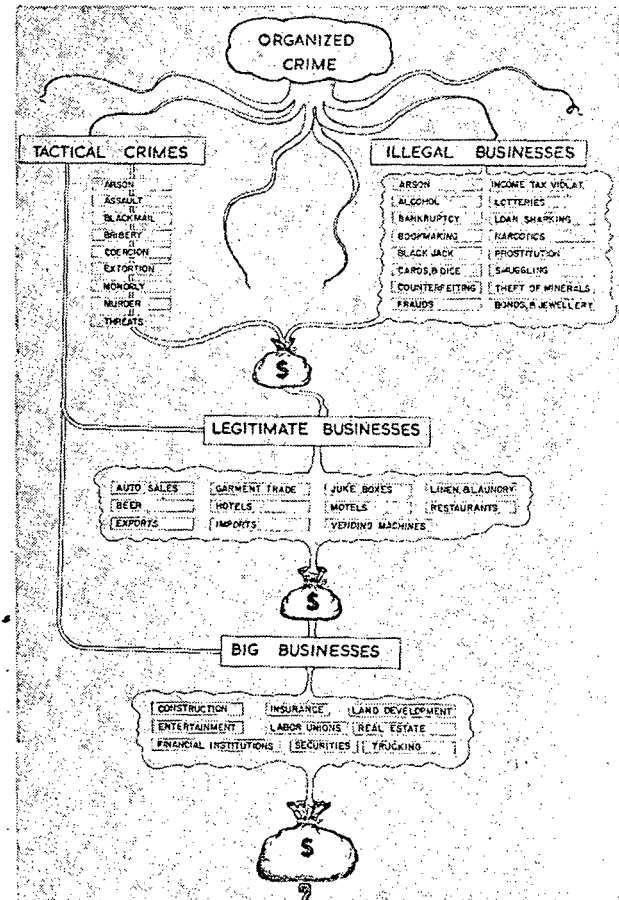
Despite the fact that in the past several years there have been numerous excellent accounts of the organized crime situation within the U.S.A., there has been no publication of similar material with regard to the scope of its activities in Canada.

Most people, when they think of organized crime and this can be applied to people involved in law enforcement, as well as the general public, conjure up a picture of underworld violence and viciousness, spiced with glaring police and political corruption, such as has been portrayed for us in a melodramatic manner by movies, television and the news media in general. They are comforted by a thought that this type of lawlessness does not and cannot exist in Ontario. and from this there has developed a certain degree of complacency. The hard fact is that stripped of its sensationalism, organized crime does exist as a serious problem in North America and that it recognizes no international, state, provincial or municipal boundaries, — in fact, such boundaries are frequently used by organized crime for their own purposes — the very fact that they are organized on both sides of a territorial boundary in the face of unco-ordinated law enforcement in those areas, provides organized crime with a distinct advantage. Some distinction can be made between organized crime in certain areas of North America and Ontario. Our organized crime is the same organized crime that exists in other parts of North America — the difference is one of degree, rather than of type —. It is the difference which provides law enforcement in Ontario with an edge and which enlightened law enforcement must use as a basis for its hope for ultimate success. There is still time to contain the organized crime problem before it acquires the frightening strength that it has acquired in some urban areas on this continent.

What is organized crime — Is it synonymous with the Mafia? No, it is not. — The Mafia is a Sicillian based secret criminal organization, which has generally confined its activities to the western portion of Sicily. Luigi Barzini, the author of "The Italians" has this to say about the Mafia: "The Mafia is the world-famous illegal organization, which rules over only one part of Sicily. Its threats are terrifying in Palermo, Partenico, or Agrigento, but are ignored in Messina, Catania, and Syracuse. It is not a strictly organized association with hierarchies, written statutes, headquarters,

a ruling elite and an undisputed chief. It is a spontaneous formation like an ant colony or a beehive, a loose and haphazard collection of men and heterogeneous groups, each man obeying his entomological groups, each group uppermost in its tiny domain, independent, submitted to the will of its own leader, each group locally imposing its own rigid form of primitive justice. Only in rare times of emergency does the Mafia mobilize and become one loose confederation."

Is organized crime synonymous with La Cosa Nostra, the Mafia-like organization which exists in North America? Partly, but not completely. What is it then and why should we express such serious concern about it?



Branches of Organized Crime.

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Actually, it is by determining the extent and depth of corruption that it is possible to measure the extent of organized crime penetration into a community. To the degree that corruption exists in any area, organized crime will flourish.

A great deal of attention has been paid by law enforcement officials throughout North America in attempting to accurately define organized crime. Professor J. Desmond Morton, formerly of Osgoode Hall in Toronto, after having studied various organized crime definitions, concluded it was impossible to define in a strictly legal sense. Professor Donald Cressey, eminent Sociologist and Criminologist of the University of Southern California at Santa Barbara and the author of "Theft of a Nation", has arrived at a similar conclusion. I believe the most accurate definition would be that of a criminal conspiracy, with some additional aspects which appear to set it apart, from the ordinary criminal conspiracy with which, we are all familiar. It is "a continuing and self-perpetuating criminal conspiracy, which operates for a profit motive, and which thrives on fear and corruption and seeks to attain immunity from the law."

Efforts have been made to further define it in terms of the activities in which it becomes involved. But this is almost impossible, because of the fact that it has been found, particularly in this decade, that it will involve itself in any activity where there may be a large margin of profit. In general, organized crime conspires to carry out the following activities, but these should never be considered as a complete list, since the area of operation will vary from time to time, and from place to place, as the potential for

profit presents itself.

Throughout North America they conspire to:

1. make billions of dollars from illegal and legal gambling,
2. make billions of dollars from loan sharking,
3. make millions from the distribution of narcotics,
4. make millions from stock frauds, on arson and insurance frauds,
5. make millions from land development, real estate, and construction,
6. make millions from tax evasion,
7. control and corrupt labour unions; this can enable them to get their hands on the large pension fund monies which exist within labour unions,
8. make thousands of dollars from the manufacture and distribution of counterfeit money and counterfeit cheques.
9. make thousands of dollars from legal and illegal liquor distribution,
10. make thousands of dollars from prostitution rings,
11. profit from illegal or fraudulent bankruptcies,
12. acquire monopolies in certain service industries,
13. make thousands of dollars from the protection racket.

At this point, you are probably wondering how it is possible to state with conviction that La Cosa Nostra exists, and further, that its influence extends into the Province of Ontario. It is true that criminal informers have furnished law enforcement agencies with a great deal of information about this organization. We are all aware in the area of international subversive activities there have been numerous cases of political defectors, of actual intelligence infiltration, of the secret organizations. Unfortunately, it

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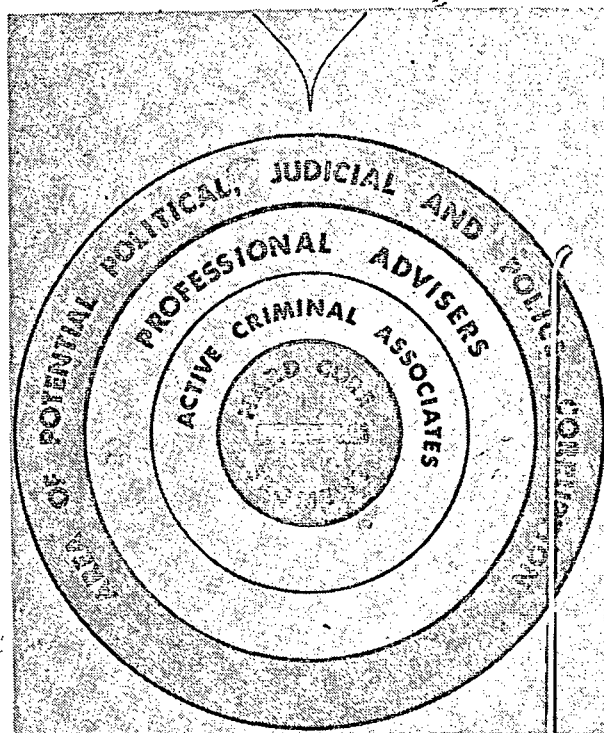
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has never been possible for law enforcement to effectively infiltrate La Cosa Nostra. Up to the time of the defection of Joseph Valachi, no member had ever defected to the extent of divulging the true nature of the organization. There are a number of other means of determining knowledge of the structure of the organization, and these means have been employed for the past several years in both Canada and the U.S.A. The contribution of Joseph Valachi has been substantial, and a careful analysis of his story has proven to be basically the truth. It was possible for law enforcement to check many aspects of the story against known facts, and in each such case the story was substantiated.

During the years 1962 to 1965, a great deal of audio surveillance was carried out by law enforcement authorities in North America. One such operation was conducted on the premises of (Raymond Patriarca) the head of the Cosa Nostra family, which is prominent in the New England States, and has its headquarters in Providence, Rhode Island. A part of this operation became public knowledge during the subsequent prosecution of L.T. a family member. A number of the transcripts became a part of the evidence in the prosecution, and these were subsequently subjected to professional analysis.

Professor Robert Blakely, who until recently was on the faculty of Law at Notre-Dame University, and who has, during the past several years, acted as a consultant to the President's Crime Commission, the United States Senate Judiciary Commission and the American Bar Association Minimum Standards for Law Enforcement, testified in 1968 before the State of New Jersey Senate Committee on Law and Public Safety. Professor Blakely is also a member of the American Civil Liberties Union, and at the same time, is one of the most outspoken advocates of the principal of electronic surveillance and wiretapping, as a

means to fight organized crime. He subjected these transcripts to analysis, and it is his analysis which follows, although I should say that a number of other professionals in the field of law enforcement and organized crime have also analysed this material, and have arrived at similar conclusions:

1. That there is an organization called La Cosa Nostra
2. That it is headed by a body called "the Commission"
3. That it is broken up into groups called "families"
4. That families are headed by "bosses"
5. That families are staffed by "underbosses"
6. That families are staffed by "caporegime", i.e. captains
7. That the Commission can run families in the absence of a boss
8. That the Commission makes the boss
9. That the Commission must approve new members
10. That the Commission settles disputes
11. That the Commission holds hearings
12. That the Commission acts by voting
13. That the boss of the family engages in the following activities:
  - A. he intercedes for members in other groups
  - B. he orders members to live up to personal obligations
  - C. he orders members to live up to illegal, business obligations
  - D. he grants or withholds permission to operate illegal businesses
  - E. he settles the division of the profits of illegal businesses
  - F. he declares when necessary "martial law"
  - G. he is kept informed of the illegal activities of his associates (kidnapping) (murder)
  - H. He arranges bail
  - I. he arranges to hold illegal business during incarceration
  - J. he can delay a death order for convenience of others
  - K. he worries about his image with up-coming members
  - L. he has contacts with the legitimate world which gives him influence in the following areas:
    - a. affecting the decision of state attorneys-general
    - b. affecting the decision of high ranking state police officials
    - c. affecting the granting of legitimate licenses
    - d. affecting parole decisions
    - e. affecting probation decisions
    - f. affecting sentences
14. That the boss insulates himself from possible criminal investigation.
  - A. he shows concern for scientific investigation
  - B. he uses public phones under special arrangements
  - C. he sees people by appointments
15. That members are referred to as "a friend of ours"
16. That members are brought into the organization by a ritual
17. That members transfer from family to family
18. That members are ordered to kill
19. That some families have in excess of 150 members
20. That a family of 120 is "small"
21. That the organization is nation-wide:
  - A. Providence, Rhode Island
  - B. Chicago, Illinois
  - C. New York, New York
  - D. Baltimore, Maryland
  - E. Washington, D.C.

- F. New Jersey
- G. Boston, Massachusetts
- H. Miami, Florida
- I. Philadelphia, Pennsylvania
22. That the organization is international:
  - A. Canada
23. That members are involved, inter alia, in the following illegal activities:
  - A. murder
  - B. kidnapping
  - C. extortion
  - D. fraud
  - E. bribery
  - F. perjury
  - G. loan sharking
  - H. gambling; and
24. That members are involved, inter alia, in the following legal activities:
  - A. legal gambling
  - B. labor unions
  - C. race tracks
  - D. vending machines; and
  - E. liquor

Among those with whom Patriarca had direct or indirect dealings are the following:

1. Jerry Angiulo - underboss in the Patriarca family.
2. John Biele - a caporegime in the Vito Genovese family in New York City.
3. Joseph Bonanno - head of a family in New York City.
4. Anthony Corallo - a caporegime in the Thomas Lucchese

- family in New York City.
5. Eddie Coco - a caporegime in the Thomas Lucchese family in New York City.
6. Patsy Erra - "enforcer" for Mike Coppola, a caporegime in the Vito Genovese family in New York City.
7. Carola Gambino - head of family in New York City, successor to Albert Anastasia.
8. Vito Genovese - head of family in New York City, successor to Frank Costello and Charles Luciano.
9. Thomas Lucchese - head of family in New York City.
10. Salvatore Mussachio - underboss in the Joseph Profaci family in New York City
11. Sam Rizzo - caporegime in Steve Magaddino family, Buffalo, New York.
12. Henry Tamelo - "messenger" in the Patriarca family.

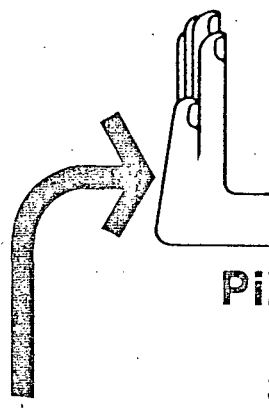
We agree with Professor Blakley's analysis in its entirety and especially that portion which establishes the fact that La Cosa Nostra is international in scope and has interests in Canada. We must view organized crime as a North American phenomenon.

There have been other transcripts, similar to the Patriarca transcripts; among these, of particular interest to Canada were those referred to as the De Cavalcante transcripts. These were obtained during the same period of time and dealt exclusively with problems the organization, caused by the activities of Joseph Bonanno, the boss of one of the New York families. These have added much to the knowledge of the structure of the organization, the names of many of its members, and respective positions within the various families, as well as the names of the members of the National Commission.

We have now reached the point where we acknowledge the existence of organized crime as a serious problem in certain areas of the United States and have accepted conclusive evidence of a close relationship between that organized crime and organized crime in Canada, or to bring it closer to home, in Ontario.

We are aware of the fact that some members of La Cosa Nostra live in Ontario and in Quebec; that they are in fairly regular communication with family members in the United States; that they help each other with the various legal and illegal schemes; that they are frequently co-conspirators; that they are co-conspirators with active criminal associates who are not members of La Cosa Nostra. The number of La Cosa Nostra members in Canada is small. They do not control crime in Ontario. In fact, they do not control crime anywhere in North America, although in some areas they have been able to exercise considerable control over such crimes as gambling, narcotics distribution, loansharking and the protection racket.

We do not believe at this time that we have a distinctively Ontario Cosa Nostra family; rather, it is our opinion, based on such evidence as is available to us, that there are members of more than one such family in our territory and these, along with a much larger number of active criminal associates, are responsible for many of various profitable crimes which I have just referred to. Probably the highest ranking family member in Ontario would be a "capo" or "lieutenant". We are able, with reasonable certainty, to identify only about 30 persons who would be actual members; non-member criminal associates would outnumber these members 10 or 20 to one. It is both unfair and discriminatory to label all organized crime as either Mafia or La Cosa Nostra inspired. It is true that



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some persons of Italian origin are a distinct part of organized crime, but it is also true that persons of all other racial origins are also known to be involved.

To live at this position of awareness of the existence of organized crime in our midst, is only the first step in a comprehensive program. The arriving at this position has, by no means, been a simple operation. Most police forces have historically been complaint-oriented. This is to say that they deal with the investigation and the prevention of crime in the conventional manner. First there is a complainant, and thus it is possible for the police to commence their investigation, already knowing a number of the essential elements of an investigation or charge. They know who has been victimized, they know how, they know where and when. The missing element is the identity of the perpetrator.

When dealing with organized crime, because of the fact that we rarely have a complainant, and we rarely know exactly what crime is being perpetrated, we must commence with a person known or suspected of being involved in organized crime, and we must endeavor to learn everything that is possible to learn about him; his habits, his financial situation, his criminal and business associates, and even his family, and ethnic background. Having established this, it is necessary to analyse all of the facts and endeavour to determine what criminal activities he is currently conspiring with others to carry out. This process is known as criminal intelligence, and for any who have known military service, the purpose and methods of operation is very similar to that of a military intelligence operation.

There is a classic historical pattern to the development of persons in organized crime. This is a pattern which can be applied generally to most organized crime figures, not only in the U.S.A. but also in Canada.

In organized crime groups, there are certain tactical crimes which are employed in order to attain an objective. In the pattern, these tactical crimes would be utilized in the first stage to achieve an entry into and in some cases, a domination of illegal activities and businesses, which are potentially in violation of the law. The profits from these illegal activities are again employed for the purpose of gaining entry or bringing about some advantage over other entirely legal competitors in the same field. It is important to note that the illegal activities are not abandoned. Their actual operation may be placed in the hands of lesser associates or employees, with the principal devoting most of his time to the legitimate business, in order to insure its success, and in order to gain therefrom a facade of respectability, which is to be found in the guise of a legitimate businessman. At this point, there can be a return flow of funds from the legal to the illegal business, if this should ever become necessary.

After a period of time, the profits which will be amassed from both types of business, and the insulation which protects the predator will combine in such a way, that he will challenge institutions, which we categorize as Big Business, there no longer being any awe or fear of these powerful interests, the tactical crimes will still be employed as before. At this point, there is almost no area of profit or power in our society that can be placed beyond the reach of a criminal group.

This classic pattern describes the development of some of the most dangerous and most powerful figures in

organized crime in the U.S.A. A closer examination will reveal to you that it also describes the development of certain persons known to us in Ontario.

The second chart depicts the "Full Face of Organized Crime" in a target formation. The centre of the target is designated as the hard core of organized crime. It is La Cosa Nostra which is the Mafia-like secret criminal organization peculiar to North America. There are 27 Cosa Nostra families known to law enforcement which are a part of a loosely knit confederation of organized crime families. Membership in the Cosa Nostra in North America is reliably estimated to be between 4,000 and 5,000. This is the group which is dedicated to the defiance of our criminal laws and which has been classified by our most eminent criminologists and sociologists as a criminal subculture, the members of which owe their loyalty only to their own organization.

In the next circle are found the active criminal associates of this hard core group. They are not members of La Cosa Nostra, but are closely associated with them in both legal and illegal activities, and in fact, it is members of this group who are most frequently subject to arrest and conviction, and who are better known to law enforcement agencies, than the actual members of the hard core group. The next circle denotes the professional associates, those members of the legal or commercial fraternity, who go beyond their own professional code of ethics thus make it possible for them to operate with such a degree of immunity. The fourth circle is the area of potential, political, judicial and police corruption. At this point it should be stressed that in our analysis of the organized crime picture within Ontario, we have found relatively little evidence of this type of

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corruption. Nevertheless, it is a fact that cases of such corruption have occurred and will continue to occur. Probably the most significant example is that situation which involved Lucian Rivard, an important international drug trafficker, which resulted in the Dorien enquiry and in the subsequent conviction of former Federal M.P., Raymond Denis for attempted bribery. In this case, associates of Rivard actually succeeded in promoting a contact within the office of the Prime Minister of Canada, within the offices of the Minister of Justice, and the Minister of Citizenship and Immigration, of course, without the knowledge of the Prime Minister or the other Ministers concerned. The bribery attempt was unsuccessful, but I believe it is important to acknowledge that the reason it was unsuccessful is that a lawyer, in private practice in the city of Montreal, engaged as a special counsel for the U.S. Government, refused to entertain the proposal. There have been other cases as well, where evidence has shown that officials, if not corrupted, were at least corruptible. As I remarked previously, there is relatively little corruption in our province, but we must remember that a little corruption is all that is required to serve the purpose of organized crime.

To operate a crime intelligence system within a modern police force, presents a serious problem from the very outset. Most police forces now find it necessary to establish a workload for their personnel, and in order to do this, they are obliged to weigh the tangible results, such as prosecutions, convictions, crimes prevented, or lives saved, or revenue collected by police action. These enable Chiefs of Police to prescribe suitable job performance standards for their personnel. For obvious reasons, job performance

statistics are not readily available for crime intelligence officers, and a Chief of Police is, therefore, faced with the prospect of carrying a police officer or several officers on the strength of the Force, who are not supervisors and do not produce the type of crime statistics, which lend themselves to the creation of job performance standards.

The Ontario Police Commission recognizes the problem of organized crime, and first reported on its existence and extent in a preliminary report published in 1964. As a result of that initial enquiry and of recommendations contained therein, a criminal intelligence division was established within the Commission in 1965. Since that time the work of alerting the police forces of this province to the problem of organized crime, and of training carefully selected members of these forces in the field of crime intelligence has been continued.

Since 1966, there has existed in Ontario an association of intelligence officers, known as Criminal Intelligence Services of Ontario (C.I.S.O.). It is comprised of intelligence officers from the major municipal police forces of Ontario, with representation from the Ontario Provincial Police, the Royal Canadian Mounted Police, Montreal City Police, the Québec Police Force, the Intelligence Officers of the Ontario Police Commission, and several other agencies, who specialize in particular aspects of investigation directly related to the organized crime field. Total membership in the organization now stands at 41. These men have all been thoroughly trained in the important aspects of organized crime and the function of crime intelligence. The training has taken place at several seminars, which have been sponsored by the Commission at the Ontario Police College in Aylmer, Ontario. The seminars were the first of their



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kind in North America and have attracted a great deal of interest in other sections of Canada and throughout the U.S.A. The members of C.I.S.O. are engaged on a continuous basis in gathering intelligence with respect to those persons in this province, who are involved in organized crime. The Ontario Police Commission provides the central records and analysis centre for the association, and maintains continuous liaison with similar organizations throughout Canada and the U.S.A. Our knowledge of organized crime is growing steadily, and there have been a number of tactical successes, which can be directly attributed to the efforts of the organization.

There have been many problems in arriving at the position in which we stand today. The support which has been received from the Chiefs of Police in the Province of Ontario, as well as from the Commissioner, and the Officers of the Ontario Provincial Police and the Commissioner and Officers of the Royal Canadian Mounted Police has been tremendous. I am sure that if the citizens of this province could ever be made aware of the dedication and unselfish devotion to duty of the men whom they employ as their Chiefs of Police, they would be far less prone to offer the multitude of criticisms, which has been aimed at many of these officers in recent years.

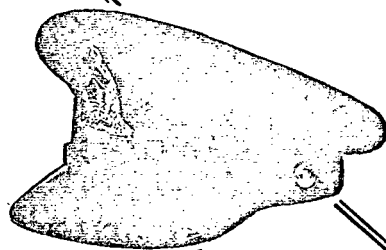
It should also be stressed that, since the establishment of the Intelligence Division of the Ontario Police Commission in 1965, there has been complete government support to every constructive program which has been presented in an effort to combat organized crime in Ontario. As an example of this, I would like to point out that during 1967 my partner, Herb Thurston, and I were invited to Washington, D.C., to take part in some discussions with the professional

staff engaged in compiling material for the President's Crime Commission. (Incidentally, the work of this Commission and the publication "The Challenge of Crime in a Free Society" together with the various task force reports on law enforcement and the administration of justice, must be credited with being one of the finest and most comprehensive studies ever completed.) The professional staff of this project were among the most knowledgeable people in their respective fields in the western hemisphere. For us, it was a highly profitable visit, but one feature of our discussions greatly impressed us. With very few exceptions, the recommendations contained in the report were those which had already been implemented or recommended and being given further study here in Ontario. My purpose in mentioning this is to stress, particularly to those engaged in law enforcement and the administration of justice in Ontario, that they are privileged to be a part of what is probably the most progressive and exciting approach to law enforcement which can be found anywhere on this continent. Insofar as organized crime is concerned, the steps which have now been taken, provided the program can be aggressively pursued, should undoubtedly place us in a prime position to control any further inroads of organized crime in our society.

Much remains to be done in the fight against organized crime and with changing times, changing laws and changing crimes it may well be an endless exercise. Despite this, we can face the future with optimism, based on the conviction that we have a full appreciation of the problem and have tailored our programs to meet them as adequately as possible.

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JH255-1

JUN 8 1971

## MONTREAL GAZETTE

### Life sentences given to pair for gun death

Two men drew automatic life sentences yesterday after pleading guilty to a gangland-style killing in May, 1969.

The pair, Joe Armeni, 31, and Nicholas Leo, 26, made their plea before Mr. Justice Peter Shorteno in Court of Queen's Bench.

The charges stem from the death of Robert Allard, 22, who was gunned down near his home on Jean Talon St. E. while police happened to be in the area on surveillance duty unconnected with the killing. The victim had 11 bullets fired into his body before police could close in on the pair.

A co-accused, Vincenzo (Jimmy) DiMaulo, who acted as getaway driver, was found guilty after a four-week trial in April last year. The 32-year-old tavern-keeper recently had an appeal turned down.

*Cordell*  
*JH 10/6/71*

s.19(1)

DEPARTMENT OF MANPOWER AND IMMIGRATION  
MINISTÈRE DE LA MAIN-D'OEUVRE ET DE L'IMMIGRATION

MEMORANDUM - MÉMOIRE

7-6-71

TO - À: W. S.

FROM - DE: G.M.B.

P.A. 9/6/71  
W.S.

Please see note hereunder  
and attached clipping.

I spoke to S/Sgt Dickie R.C.M.P.  
and he informed they held no  
information to tie in positively  
with this item. N.C.I.U. has reference  
to one [REDACTED] dated back  
in 1963, from Toronto, but no  
concrete tie in.

I Called Max STEELE, in Toronto,  
and informed him of our findings.

[REDACTED] if Canadian, as indicated  
is of no interest to us; however,  
you may be interested from the  
aspect of International Criminal activities.

000787

G.M.B.

DEPARTMENT OF MANPOWER AND IMMIGRATION  
MINISTÈRE DE LA MAIN-D'OEUVRE ET DE L'IMMIGRATION

s.19(1)

MEMORANDUM - MÉMOIRE

TO - À: CMB

FROM - DE: ALG

7-6-71

Mr. Steel, called -

Deputy Police Chief in Toronto  
called our Toronto office asking if  
they had anything on one [redacted] <sup>70</sup>

[redacted] no other data available

Newspaper article few days ago said

[redacted] was being deported from Israel

to Canada. Police believe he

has a criminal record & feel

they should have been advised.

Steel says they have no record there.

Checks are Records & also

Mrs. Sly (they may have clipping) of

M & I - 669 (10-68) negative check RCMP Ident. 000788

Admin Steel of results. ALG

I H255-1

GLOBE & MAIL

JUN - 7 1971

### Canadian among 3

## Gangster conference blocked, Israel claims

JERUSALEM (AP) — Israel said yesterday it has blocked a possible conference in Jerusalem of alleged underworld figures from North America.

An Interior Ministry spokesman announced that in the past few days two Americans and a Canadian were refused entry into Israel.

"Israel will not be used as a ground for conferences of criminals," said spokesman Yitzhak Agassi.

He added that more undesirable people from North America are expected to arrive and they too will be barred.

Mr. Agassi said two U.S. citizens, Bernard Rose, 50, and Benjamin Sigelbaum, 68, and a Canadian, Jacob Marcus, 38, were ordered to leave Israel after they landed at Lod International Airport separately last week. All three are Jewish, he added.

Each was put on an outgoing airliner a few hours after arrival, said Agassi.

The Israelis acted on information from Interpol after they were seen passing through London en route to Israel.

Agassi declined to detail what sort of conference was believed planned. But when asked whether the visitors intended to meet reputed underworld gambling king Meyer Lansky, who is in Israel as a tourist, Mr. Agassi replied: "It is to be assumed that this is correct."

He would not say what organization the three belonged to, if any. "It is not our business . . . It is up to us to decide whether to admit criminals into the country."

The Government's speed in deporting the three may have stemmed from embarrass-

ment over Lansky's presence in Israel since last year, despite court charges against him in the United States.

Lansky, 69, reputed chief of gambling in Las Vegas, Florida, and the Bahamas, is accused of skimming profits off casino takes, and of contempt of court in refusing to appear on the first charge.

He is in Israel on a tourist visa, living in seclusion with his wife, a bodyguard, and a poodle.

Lansky has been staying at the Mediterranean-side Dan Hotel in Tel Aviv, but moved to the Accadia, a few miles north, when U.S. Secretary of State William Rogers lodged at the Dan last month.

A U.S. written biography of Lansky claims the gambling boss has investments in both hotels.

He is rarely seen in public, and in his one brief newspaper interview in Jerusalem he said he had come to Israel as a Jew, to relax and enjoy life.

Haolam Haze, a sex-and-politics weekly, claimed last week that there was "a struggle between Israeli Cabinet ministers and pressure groups over Lansky's right to Israeli citizenship."

Because of Lansky's reputed financial holdings in Israel, Hallam Haze termed him "a guest of honor" in this country.

J.T.K.

Phase card

CARDED 11-6-71 IL

# MEMORANDUM



CLASSIFICATION

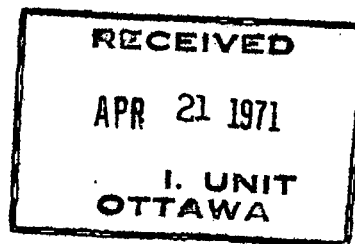
TO : Chief Intelligence Officer,  
Canada Immigration Division,  
Home Services Branch,  
Ottawa, Ontario.

YOUR FILE No.  
Votre dossier

FROM : Officer-in-Charge,  
Intelligence Unit,  
Windsor, Ontario.

OUR FILE No. IH 255 - C - 1  
Notre dossier

DATE 16 April, 1971



FOLD  
FROM  
De

SUBJECT Criminal Organizations  
Sujet

1. At the recent C.I.S.O. Criminal Intelligence Seminar held at Aylmer, Ontario, S/Sgt. G. George, N.C.I.U., R.C.M.P., Ottawa, Ont. advised the Seminar regarding the N.C.I.U. Seminar held recently in Ottawa. S/Sgt. George stated that two senior American Intelligence advisors from the U.S. Internal Revenue Service and U.S. Dept. of Justice, Organized Crime Strike Force, unaware of each other's speech, ended up giving similar conclusions regarding Organized Crime and its movement into Canada.

2. These U.S. Officials pointed out the fact that the Nixon Administration is pouring almost unlimited funds into the fight against Organized Crime and is greatly assisting all Law Enforcement Agencies in this fight. They stressed the success that the U.S. Dept. of Justice, Organized Crime Units are now achieving and that if their successes are maintained that within ten years they will drive most Organized Crime subjects into Canada or elsewhere.

3. Our Ottawa Unit could possibly obtain exact details of these speeches directly from N.C.I.U. in Ottawa.

*S. E. Hurst*  
S. E. Hurst,  
Officer-in-Charge.

c.c. to Director of Immigration Operations, Ontario Region, Toronto, Ontario.

*Sherry*  
*Federal funds are available*  
*through L.E.A.A. Law Enforcement*  
*assistance act.*

63 - 1969 }  
268 - 1970 } *filed*  
4170 - 1971 }

MONTREAL GAZETTE, April 1, 1971.

*Mtl. Gazette 1-4-71.*  
**Quebec plans  
super-crime  
counterattack**

TORONTO — (CP) — The Quebec government will set up special agencies to deal with terrorists, organized crime and mob violence — the three “modern forms of crime” — says Jerome Choquette.

The Quebec justice minister said Monday night the special agencies, would gather inside information on terrorists and organized crime and co-ordinate efforts of police forces in fighting these areas of “contemporary criminality.”

“Traditional measures of law enforcement are not sufficient” to deal with these modern criminal activities. The ability of their perpetrators to continue operation creates the “appearance if not the reality of a breakdown in the judicial system,” he said.





c.c. Officer in Charge, Intelligence Unit, Toronto.  
c.c. Director of Immigration Operations, Montreal.

# MEMORANDUM

c.c. District Administrator, CIC, Montreal E-4865

CLASSIFICATION

TO  
A

Chief, Intelligence Officer,  
Ottawa.

YOUR FILE No.  
Votre dossier

IH255-1

FROM  
De

Officer in Charge,  
Intelligence Unit, Montreal.

OUR FILE No.  
Notre dossier

IH255-E-1

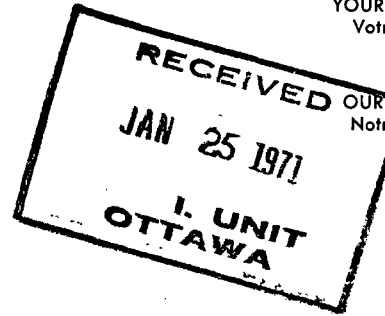
DATE

January 22, 1971.

FOLD

SUBJECT  
Sujet

Criminal Organizations - General



1. Further to our memorandums dated October 15, 1970 and December 18, 1970, we have been informed that [REDACTED] has disappeared.

2. The M.C.P. are looking for him for extortion matters, he was to appear in Court last week. They feel that he may be in the United States, as he has relations in New Jersey. The U.S.B.P. were informed accordingly.

W.K.  
i/c

Marcel Sicotte,  
Field Intelligence Officer.

s.19(1)

000792